

The NATIONAL UNDERWRITER

Life Insurance Edition

This full page November Post advertisement is published to help all Northwestern Mutual Agents



WE DO LOSE SOME POLICYHOLDERS

But of the \$3,893,591,675 of Northwestern Mutual Life Insurance held by 700,000 policyholders alive throughout 1939, only 3.4% failed to continue in force throughout the year

WHY is this single fact significant to you? Because this figure of 3.4% (the "lapse ratio" as insurance men call it) is an important reason why it would be to your advantage to purchase your next life insurance in The Northwestern Mutual. HERE'S WHY:

FIRST

—a low lapse ratio means lower insurance costs for all policyholders. The fact that 96.6% of Northwestern Mutual Life Insurance continued in force during 1939 (an unsurpassed record, we believe) is one reason its policyholders enjoy low insurance costs. Dividends paid to policyholders during 1932 to 1939, inclusive, totalled 27.5% of the gross premiums received during that period.

SECOND

—this low lapse ratio is evidence that Northwestern Mutual policyholders receive constructive personal service from agents who carefully arrange life insurance to meet individual needs, in amounts well matched to the policyholder's ability to save. Approximately one-half of the new life insurance issued by the Company each year is purchased by these satisfied previous policyholders.



We are **THE NORTHWESTERN MUTUAL**
MILWAUKEE, WISCONSIN

One of ten full page Post advertisements being published this year

FRIDAY, NOVEMBER 1, 1940

FINDING "LOST" POLICYHOLDERS IS PART OF EQUITABLE SERVICE



* As I am now well along in years, this money is surely a godsend to me. I cannot thank you too much for this wonderful service from Heaven, as it need the money most it is as bread each month to live on. I did not realize that a Company such as yours would make all the effort that you have to contact me about this insurance on which my husband discontinued paying premiums many years ago.

* Expressions of gratitude and appreciation such as this, when "Lost" policyholders are finally found, compensate The Equitable's Lost Policyholders Unit for what may be months or years of effort dating from the return of an envelope marked "Address unknown."

IT'S pretty hard to conceive that a man could forget he owned a life insurance policy.

But The Equitable knows from experience that some policyholders do forget. And looking for those "Lost" policyholders to pay them money that's due them, helping them to establish their claims, carrying the search, if necessary, from state to state and city to city, to locate their heirs, has long been a part of The Equitable's service.

The Equitable maintains a Lost Policyholders Unit in the Home Office. This Unit does not wait until claims have definitely matured but swings into action when contact has been lost with a policyholder over any protracted period of time.

Through the efforts of this Unit, employing all means of investigation and enlisting Equitable agents throughout the country to press the search, hundreds of "Lost" policyholders or their beneficiaries have been found and paid money that they did not know was theirs.

The Equitable's special organization to locate "Lost" policyholders evidences the thoroughness of a service which has but one aim—to see that the purposes for which people buy life insurance are carried out.

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

393 Seventh Avenue, New York

Thomas I. Parkinson, President

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 44

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 1, 1940

\$3.00 Year, 15 Cents a Copy

Production Chiefs Gather in Chicago

Conn. General to Oust Those Below \$3,000 Premium Level

Action Applicable in Cities
of 50,000 and More,
Effective Jan. 1

Connecticut General Life as of Jan. 1 will eliminate every agent working in a city of 50,000 or more who has been with Connecticut General three years and who has not produced \$3,000 in new premiums during this past year. Announcement of this decision was made at the meeting of the Agency Officers-Research Bureau in Chicago this week by F. H. Haviland, vice-president of Connecticut General, in the course of an address on "Progress in Selection."

Although temporarily this may depress the total production, Mr. Haviland said his company is confident that in the next five years it will bring about an improvement in the quality of the field force and more satisfactory production from a better quality group of select men.

With Connecticut General's life, group and accident departments, \$3,000 in premiums represents minimum incomes to those men retained of \$2,000 to \$2,500. Mr. Haviland said that a man in a metropolitan city earning less than \$2,000 cannot adequately represent a life company that is preaching thrift and security and counselling with people on their living budgets. The men who are doing this job should have enough income so that they can have a life insurance estate guaranteeing minimum objectives and should live in reality the kind of an economic existence that they are recommending.

Aptitude Index

Mr. Haviland said that 85 companies are now using the aptitude index of the Research Bureau. He voiced the opinion that insurance is the only entire industry that has cooperated in the development of a selection test. Such cooperation gives assurance, he said, that eventually many things will be learned about selection that individually could not be learned. Prior to the existence of the rating chart about 17 percent of the agents appointed by a certain group of companies would have rated E. Since adopting a rate chart, these companies have practically eliminated the E agents. Men rated D and E as a group are positively inferior prospects.

Men of inadequate incomes who cannot meet their own personal obligations promptly, are an unfortunate and serious influence on the minds and hopes of new men. The business owes it to the

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Reveal Proposed Change in Agent's Compensation

Morrison Gives Details
—40% Graded; 15, 10,
7 5's, Then 2

Details of the plan for a revised compensation system for ordinary agents that the joint committee on the subject is submitting for consideration of the business were announced by L. S. Morrison, director of research of the Research Bureau, at the meeting of the Agency Officers-Research Bureau in Chicago this week.

The committee, he said, suggests for consideration first year commission of 40 percent, graded; first year renewal 15 percent and second year 10 percent. These first three commissions would be vested. Then there would be non-vested "service" commissions of seven 5's with 2 percent for the 11th and subsequent years for the better agents. The 2 percent payments would run until supplemented or replaced by a pension.

The committee, Mr. Morrison said, does not recommend that the companies immediately adopt this particular plan, but they submit it as a suggestion for consideration, study and comment.

Short Range Basis

The committee's study, he said, was on a short range basis, that is, it undertook to find improvements that could be made within the present framework of management, organization and law and which could immediately be adopted with a minimum of change and disturbance. The committee believes that there is room for a long range study which would bring out the most desirable compensation plans and would consider what changes in organization and method must be made to make the plan truly effective.

The committee went on the theory that although the agent's first job is to sell, an important part of his job is to maintain a continuing relationship with the policyholder and he should be paid for it.

Mr. Morrison expressed the opinion that the present basis of a large first year commission followed by nine renewals does not give the established agent "as good a break as he deserves." There is too much emphasis on the first year and not enough on renewals, which means that the persistency side of the agent's job is insufficiently stressed. Also, the agent's income is too unstable because too much of his income derives from new business. Under 30 percent and nine 5's with constant production and B persistency, first year commissions constitute $\frac{1}{3}$ of the agent's earnings after 10 or more years of service.

A poor production year hurts the agent's income more than it should. Then, the committee believes there is no logical reason for limiting renewals

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M. A. Linton Reports for
Committee — Tells Objec-
tives and Considerations

The absorbing topic of the convention of the Agency Officers-Research Bureau in Chicago this week, that of a proposed change in the basis of agency compensation, was introduced in the form of a report from the chairman of the joint committee, M. A. Linton, who



M. A. LINTON

is president of Provident Mutual Life. Mr. Linton treated a number of the considerations involved and then L. S. Morrison of the Research Bureau gave supplementary observations and facts.

Mr. Linton said the committee is convinced that it is possible to find ways and means of applying present expenditures in a more efficient manner so that they will produce better results than are now being achieved. He pointed out that some \$220,000,000 is now being spent each year in the United States in connection with ordinary business, about \$170,000,000 of commissions and \$50,000,000 of agency expenses borne by home offices.

Rearrangement Desirable

The committee, he said, believes that paying more money to experienced agents for small production is not the solution of the problem. It is important to find methods of making a larger proportion of those who enter life insurance selling more successful than at present and probably to eliminate those who are unable to make the grade. In the past, 50 and nine 5's has done its job well, Mr.

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Research Bureau, Agency Officers Hold Annual Parley

Heavy Accent Is on
Report on Compensation
of Agents

The convention in Chicago this week of the Life Insurance Sales Research Bureau and the Association of Life Agency Officers was heavily accented by the eagerly awaited report of the joint committee on compensation of agents that has been deliberating for a year. Practically an entire session was devoted to the presentation of the report and informal discussion of it. There was a decided spirit of suspense on the part of the members when the time came for this period and the meeting room was completely filled, and it is certainly true that there was likewise a feeling of suspense on the part of thousands in the field this week, knowing that, after years of debate and grousing, a definite proposal from a highly responsible and representative source was being placed before the entire industry.

The report was made in four sections by four articulate and trusted members of the committee, they being President M. A. Linton of Provident Mutual Life, the chairman; L. S. Morrison of the Research Bureau, E. M. McConney, vice-president and actuary of Bankers Life of Iowa and C. J. Zimmerman, Connecticut Mutual, Chicago, immediate past president National Association of Life Underwriters. These reports had been carefully prepared and integrated so that almost every conceivable detail and every consideration involved was treated clearly.

Morale Building Stressed

Although this was the capital and absorbing feature of the convention, the program otherwise was completely satisfying. Each year at these meetings some feature of agency management always seems to loom as the call of the day and this year it might be said that morale building is that call. The bureau has been publishing a series of studies of this question and it seems certain that attention is now being focused on the matter of improving the spirit of the field force, of overcoming the defeatist attitude that is manifest in these days of confusion and uncertainty.

One of the deep impressions of the meeting was the talk by F. H. Haviland, vice-president of Connecticut General Life, who announced a program for eliminating unproductive agents that his company has decided upon that represents the highest sort of objectives. Mr.

(CONTINUED ON PAGE 14)

Finds Public Acceptance of Day's Selling Methods

Reactions of 30 men to the quality of agency service and other life insurance questions was reported by Albert W. Atwood who addressed the opening luncheon at the meeting of the Agency Officers-Research Bureau in Chicago. Mr. Atwood is a contributor and editorial writer for the "Saturday Evening Post" as well as a teacher and author. The questions that he put were: "What do you think of the agents who have approached you? Do they do a good or bad job? If bad, what is wrong with them? If good, in what way have they really served you? Have you bought life insurance for family protection or for savings? Have you any definite opinion as to the safety of life insurance? Do you fear inflation or the government taking over life insurance?"

Those interrogated indicated but little interest in the last two questions but they did have a good deal to say about the technique and service of agents.

Approve Selling Methods

By and large those questioned approved of the selling methods of agents. Some criticised agents for failing to solicit young men on moderate salaries rather than "shooting at the fellows with good incomes." However, Mr. Atwood interposed his own observation: "No possible improvement in selling technique will ever bridge the gap between youth's almost utter indifference to old age and the necessities of old age itself."

However, Mr. Atwood said he believes that agents do overlook the opportunity of soliciting parents to buy insurance for their children of college age.

Nearly every man that was questioned said that insurance selling had improved greatly in the past five or 10 years. They said the day of the "pests, of the annoying, high-pressure, book agent type" of agents has largely disappeared.

Programming Approach

Most of those interrogated said that they liked the programming approach. One man said that the agents that he likes are those that "considered my insurance abstractly as a problem and discussed the best way to meet the problem with the resources that I had available."

A vice-president of a bank said that busy men who seek to dodge life insurance agents are missing an adventure in salesmanship.

One of the men stated that none of the agents who have called on him "has tried any of those clever, indirect approaches that make me furious. They have come right out, stated their business, asked if they could be of any help and have been the sort of fellows that I like to have call on me in my office."

Judging from the replies, after some years of some miscellaneous solicitation, the policyholder settles down to one agent, from whom he does his buying and to whom he entrusts the arrangement of his program while still listening to other agents. The men interviewed indicated that once they had a program and settled upon one agent, the other agents are "no longer a bother in any sense."

Dislike Group Competition

Mr. Atwood relayed one observation that was in the nature of criticism of the sales tactics in group insurance. The secretary of a dental association said that his organization wanted to buy a group policy but every time the committee agreed to close with a given company, the competitors would come in and tear the figures to pieces to the confusion of the committee and almost making them desire to drop the whole matter.

On the question of inflation he met a variety of answers, but none of an

annihilating nature. Some of those that were queried thought that the life insurance companies should put up a battle against unsound fiscal policies of the government and should raise a loud voice of protest when the government takes steps that undermine the institution of life insurance.

"I believe," Mr. Atwood declared, "that life insurance will have to step forward more directly and more openly than it has in the past as the champion of the qualities of sacrifice, integrity and honor, because the very function which it performs makes such championship natural and inherent. Perhaps some of the companies are large, perhaps life insurance as a whole absorbs a very large part of the whole field of available investments. What of it, provided the function performed is right, sound, true and essential."

Dependents Should Be Job Cover Basis, Actuaries Are Told

WHITE SULPHUR SPRINGS.—Several important revisions in unemployment insurance plans and the appointment of a federal advisory council to study this problem were urged in a paper presented before the joint meeting of the Actuarial Society of America and the American Institute of Actuaries by R. A. Hohaus, president American Institute of Actuaries and assistant actuary Metropolitan Life, and F. S. Jahn, also of the Metropolitan Life. They also discussed the main arguments for and against experience rating as a modification of the unemployment insurance tax.

One suggestion was that the original purpose of unemployment insurance might be better served by superseding the present flat benefit payments with a plan giving a basic benefit and also additional benefits for dependents. It was also suggested that the matter of a waiting period for benefit and duration of payments be considered to obtain the most effective balance for the benefit of the insured workers.

Drawbacks of Experience Credits

Discussing experience rating, the authors pointed out that this had been proposed as a means of giving employers credit for their better records with employees and also suggested as a means of generally reducing unemployment through recognition of more stable employment records. On the other hand, such a plan might lead to employers altering their employment policy in order to effect better unemployment records.

This would be the case particularly if benefit payments were to include additional sums for dependents. It was pointed out that an alternative which might accomplish the same end would be to have both employers and employees contribute to the fund with the state possibly contributing also.

Mix Committee Does Much Work

At the Tuesday session of the Agency Officers and Research Bureau Donald G. Mix, State Mutual, announced that the bureau committee on persistent business of which he is chairman had completed work on three studies and that the reports had been mailed to companies. The reports are "Contest Business: A Survey of Its Persistency and Other Characteristics," "Persistency of Monthly Premium Business," and "Current Usage of the Persistency Rating Chart."

The report on contest business was compiled by Henry Bossert, Jr., Provident Mutual, and Lawrence J. Doolin, Fidelity Mutual. It concludes that all such business is not persistent, but that a properly organized contest based on quality factors produces persistent business. This study is based on consideration of contest business in 46 companies. A quality contest has a place in the marketing of life insurance, the report adds, if it is simple, arranged to solve one or two definite company problems, and promoted intelligently and enthusiastically.

Report on Rating Chart

"Current Usage of the Persistency Rating Chart" is a survey of the extent to which this device is used by companies, its manner of introduction and use. This report was compiled by Mr. Mix.

The survey "Persistency of Monthly Premium Business" uncovers some useful facts. The relationship between a company's minimum premium practice and its persistency is shown. The rather high minimum premium apparently necessary for the satisfactory writing of this business eliminates many of the type of buyers who need a monthly plan. The solution leads to the question of whether monthly premium business for such buyers could not be more satisfactorily conducted on a monthly debit basis. P. C. Irwin, Equitable of Iowa, compiled this report.



D. G. Mix

Forum on Training and Retraining Is Lively Feature

Speakers Treat Work Habits, Prospecting, Sales Procedure, and Morale

B. N. Woodson of the Research Bureau served as master of ceremonies at the forum on training and retraining at the meeting of the Agency Officers-Research Bureau in Chicago Wednesday morning.

He gave an introductory talk and then a summary as well. He observed that three of the speakers in the forum are addressing themselves to the subject of work habits; three to "prospecting;" and three to sales procedure. Still another speaker tells how his company has been using home office schools for training in each of these fields.

In his summary, based upon analysis of what the speakers said, Mr. Woodson declared that there is a trend toward more initial training, more formal activities directed toward retraining in specific areas, more activities directed toward continuous training during the agent's entire career.

Good Morale Value

There is an increasing recognition of the importance of good morale as a prerequisite to training, he said. The true importance of morale is only now being fully realized. Even the best of training is virtually worthless without favorable morale.

Training is achieving the stature of maturity and is getting the attention of the ablest men in the companies, he declared.

Far more emphasis is being given to retraining and continuous training.

There is an increased acceptance of home office responsibility for training and there is a trend toward increased standardization. There is more widespread use by members of a given agency force of identical or similar techniques and procedures of prospecting planning, time control and selling.

Training today is concerned with developing habits and skills and techniques as well as with imparting knowledge. The trend is toward training as distinguished from teaching.

James A. Giffin, assistant agency manager of Phoenix Mutual Life, gave a talk on "Morale Building and Management" (CONTINUED ON PAGE 16)



At Research Bureau-Agency Officers convention—W. V. Woollen, vice-president Capitol Life; Karl Gumm, assistant superintendent of agents National Life of Vermont; Seth C. H. Taylor, superintendent Eastern U. S. agencies Sun Life; C. E. Reid, Sun Life; R. E. Irish, president Union Mutual Life of Maine.

Joint Actuarial Conclave Discusses Timely Subjects

President Laird, Actuarial Society, Criticizes Study by the SEC

WHITE SULPHUR SPRINGS.—Matters of timely interest, such as needed social security changes, ways in which actuaries can help preserve democracy and aid the national welfare; and the Securities & Exchange Commission's blunder in failing to call upon experienced actuaries to explain the fundamental principles of life insurance featured the joint meeting of the Actuarial Society of America and the American Institute of Actuaries here this week.

In opening the biennial joint session J. M. Laird, vice-president Connecticut General Life and president of the Actuarial Society, criticized the SEC for its failure to make use of experienced actuaries to explain the scientific background of its study of life insurance. He said that although the investigation may have revealed a few minor flaws or mistakes it demonstrated that as a whole the officers have been true to their trusteeship and that the policyholders' interests have been safeguarded.

Quotes Cartoonist

"In the words of a national cartoonist, who recognizes that practically all life insurance profits revert to policyholders," he said, "the case against the companies is, 'they operated on a sound financial basis; they paid their claims; they built up reserves and made prudent investments; they even made profits.'"

Mr. Laird expressed regret that the TNEC hearings had not started off by having actuaries explain the basic principles of life insurance which distinguish it from the ordinary forms of commercial enterprise. He listed these basic distinguishing principles as follows:

1. The contract is guaranteed for a lifetime and even longer.

2. The risk, that is, the mortality rate, increases from year to year and if the policy is continued, eventually there must be a claim. As this increasing risk is covered by a level premium, a substantial part of the premium income must be set aside as a reserve to pay future claims.

Special Meaning of "Reserve"

3. In life insurance the word "reserve" is used in a special technical sense. It is not like the reserve for contingencies which in other lines of business the prudent management sets aside in large or small amounts for a "rainy day." It is a definite liability built up by rigid mathematical formulae based on mortality and interest tables. The assets must increase in proportion to these reserves even though the insurance in force may be decreasing. These assets belong to millions of policyholders, and the share of each is, on the average, only a few hundred dollars.

4. In the United States the most common mortality standard for reserves is the American Experience table but the substitution of a modern table would not materially alter the aggregate reserve which must be held for future claims. The layman naturally assumes that under a modern table with lighter mortality, and therefore lower net premiums, the reserves would also be lower. Actually, however, under a modern table the lower death rate is most marked at

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Clark Urges Companies Recruit College Men

From his exceptional vantage point, Paul F. Clark in an address entitled "The Fundamental Course" at the meeting of the Agency Officers-Research Bureau in Chicago, gave a variety of advice on agency procedure that was closely followed. He is vice-president of John Hancock Mutual with particular duties in the industrial field. He was formerly home office general agent of his company and is a past president of the National Association of Life Underwriters.

He suggested that there is an opportunity to economize in the realm of advertising literature. Only a small part of the sales material that is supplied to the field without cost is properly appreciated or used to real advantage, he declared. There is lack of supervision in the home office and lack of sustained interest in the field.

Sub-Marginal Agencies

Another way to economize, he said, is to eliminate sub-marginal agencies that have abnormally high operating costs. Anyone can build production at a rather rapid rate if he is willing to increase the unit cost in so doing, but it takes good administration to build production and maintain a low unit of cost, he declared.

Mr. Clark warned against the home office agency department assuming too much responsibility toward the agent. If that is done, he said, the manager or general agent is likely to show less responsibility for the agents. There is wastage in many things which home offices do for agents who are themselves under the direction of managers who have not been aided and directed by the home office as they should, Mr. Clark declared.

He gave as an example the experience of John Hancock in introducing to the

field a social security sales program with extensive equipment. The agency department took this plan directly to the agent and little or nothing was done by the managers. Hence, the plan lost much of its potential value. The home office, he said, assumed too much of the



PAUL F. CLARK

managers' responsibility for the agent. The manager must not be allowed to assume that the company is taking over part of his responsibilities, but must be led to accept the additional responsibility of capitalizing on the help that is offered by the home office. The agency department of the home office must have time to give to the managerial staff. Frequently agency executives get

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Prepayments Means Insured

Until the first premium is paid, there is no insurance. And surely the vital moment for our assuring the insurer his insurance is the moment when by signing the application he signifies his faith in the value of protection. Witness:

"Some years ago," a veteran Southern underwriter told us, "a friend of mine, a young lawyer, called me over the telephone and asked if I could come by his office about 3 o'clock. I went by and in the waiting room there was another insurance man. Directly he opened the door and invited both of us in, and explained that on Monday he was going to get married and he wanted some insurance."

"He bought \$5,000 from each of us. After making out the application I made an appointment for the examination, and then turned and said, 'The premium is \$125.45. Just make your check payable to the Company.' He wrote out the check, handed it to me, turned to the other agent and asked him his premium. The agent replied, 'You can just pay it when the policy comes.'"

"Monday came, he was married, went on his honeymoon in a new Ford coupe. The second day out he was killed. I took his wife a check for \$10,000, the policy carrying double indemnity. He had no insurance with the other company."

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Wider Development of Human Research Urged by Johnson

Should Seek to Anticipate Public Needs in Building Confidence

Product research by the life insurance business over the years has created new benefits for policyholders amounting to many millions of dollars through liberalization of policy provisions, extension of coverage to persons who not so many years ago would not be eligible for such protection, by providing protection to workers through group policies and in many other ways, Holgar J. Johnson, president Institute of Life Insurance, told the Agency Officers-Research Bureau annual meeting in Chicago.

To assure maximum satisfaction to the public in every contact between companies, agents and policyholders, the next great step should be in human relations research and a beginning has already been made in this direction through the establishment of the Dr. S. S. Huebner Foundation. Through human relations research, a business can anticipate public desires and needs before they become public demands. This is vital in developing a favorable public attitude toward any business, Mr. Johnson stated. In a final analysis the public is boss and through its power of choice determines with whom it will do business. Therefore, the wise thing for every business and institution to do is to recognize public attitude before it becomes public demand.

Situation Is Changed

The development of speedier means of communication and the widening of the average citizen's horizon and the more recent emphasis placed upon social and humanitarian aspects of the business brings the question of public attitude sharply into focus, Mr. Johnson pointed out.

Faith in the performance and integrity of the institution of life insurance accounts for 90 percent of the insurance in force today which emphasizes the necessity of building a friendly public attitude toward the business. Facts and understanding which will substantiate the faith and confidence in the institution should be provided.

Through research and investigation business can not only develop those things which fit into the public desire not only before they become demands, but the very fact that the business of its own volition is seeking to uncover such things in the public's interest, will in itself, go a long way towards helping to create a friendly public attitude. In justifying research, Mr. Johnson cited achievements gained in other industries.

Agency Force Prime Contact

Through the agency forces the public gets its primary and its most intimate picture of life insurance business. The impression the agent makes, perhaps more than any other thing, establishes the public's attitude towards life insurance. Therefore, agency officers must consider the best and most effective means of so building and conducting their field forces that a favorable public attitude is created.

"There can be no question but that the public has been somewhat irritated by last chance sales, which suggest that it's the last opportunity to buy at the present price, or with the present policy clauses. Let's keep in mind that in the

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Agency Problems in Canada Created by War Are Related

Agency problems created by the war were analyzed by J. G. Parker, general manager Imperial Life of Canada, before the Agency Officers-Research Bureau annual meeting in Chicago. Uncertainty in the minds of both the agents and public was created at the outbreak of war in Canada. Agents were fearful of the effect of war clause restrictions on future business. On account of these disturbing fears, the companies prepared statements showing growth of the business in 1914-18, thus reassuring the field forces as to the stability of life insurance.

The liberal terms of the war clause and the high measure of uniformity achieved in its adoption, plus the painstaking efforts of the companies in explaining this clause both to the public and their agents did much to allay the fears and the effect of such a clause.

Immediately after declaration of war a committee of the companies met with military authorities and the department of defense and arranged details for the payment of life insurance premiums, both old and new, by means of assignment of part of the monthly pay of policyholders who enlisted. Later this arrangement was extended to navy and air forces.

Advantage to Policyholder

The great advantage to the policyholder under the war clause is that the policy becomes free of limitations within six months after returning to the home areas and in the meantime gave protection before proceeding overseas. This has resulted in the writing of a substantial volume of business.

Providing for monthly premiums by assignment of pay required some financing of those agents who transacted any considerable volume. Under the arrangements with the military authorities it was possible for the soldier to cancel the assignment of pay and where the business was done too hastily, or without sufficient thought on the part of the soldier, cancellation of assignments resulted and in some cases such cancellations came through in substantial numbers. As a consequence many companies found that they had financed agents in getting this business to too great an extent because of the volume of business apparently written. However, this situation is gradually righting itself and the companies are enforcing stricter underwriting rules.

Another Break in Morale

With the collapse of France there was another break in agents' morale coupled with the hesitation on the part of the public to complete any undertaking calling for expenditure of money either then or in future years. Agents found it difficult to sell life insurance without becoming involved in a discussion of the war rather than the prospect's needs. To offset this situation, the companies ran a series of institutional advertisements from July to September, stressing not only confidence in life insurance but confidence in the dominion and in the empire. The results were very gratifying and a new series of advertisements is starting this month, continuing to March. Through agency bulletins, letters and personal contact the opportunity for agents to serve their country in their profession is stressed.

Enlistments in the armed forces and the demand for men in industries directly or indirectly connected with the war effort have been a drain on the agency forces in Canada. It is likewise more difficult to obtain new recruits.

Every effort has been made to assist agents going into military service. They will retain their interest in renewals and the pension clause in their contracts. In many cases those men under salary are being paid the difference between their salary and their military pay.

Many agents have been attracted to

the war industries but the companies have felt no compunction to make them realize that life insurance is also necessary to Canada's ability to carry on its war efforts. The government feels that the increased earnings of the people must be guided towards increased savings rather than towards increased spending and life insurance is the great exponent of this gospel of saving. "We have felt justified in a very definite way in urging every man in the life insurance business to continue in that work rather than to take a position which might seem to him and to the public to be more directly concerned with our war effort," Mr. Parker stated.

Assistance Rendered Government

Assistance has been rendered the government in promoting the sale of war savings certificates and stamps.

A new scale of income tax has been adopted in Canada and at first it proved a decided deterrent on the production of new life insurance. Taxes for those earning \$3,000 a year were increased from \$7.20 to \$9.5; on \$5,000 from \$9.6 to \$39.1 and on \$10,000 from \$55.40 to \$1,780. The immediate effect of the increase in income taxes was felt more particularly in city branches and accounted for a considerable curtailment of business during the months of July, August and September. However, the situation is gradually righting itself and the people are recognizing the need to budget their income to provide for the payment of the tax when it becomes due, so they can also take care of life insurance premiums. The increased tax has in many cases resulted in creating a need for further insurance and agents have not been slow in seizing upon this opportunity.

At no time in the history has there been so much employment in Canada as a consequence many men who in the past 10 years were not prospects for insurance today are earning substantial incomes. Professional men, retail merchants and others are receiving collections on accounts past due, giving them money available for the purchase of new insurance. The problem which has faced the old agent has been that of creating a new prospect list and remodeling work habits to meet changed conditions. New agents have a somewhat easier task because they are able to prospect where money exists without the constant temptation to spend time among old prospects whose incomes in many cases have been curtailed by reason of taxes and additional contributions to war time charities. In some measure old agents have been able to adapt themselves to the changed conditions but it has taken time and they have been tempted to accept employment in war industries.

The Life Agency Officers Association

Evidence of the Value of School Training

Agents of the Travelers who are graduates of the home office school for agents and who have been with the company less than a year produced 30 percent more life insurance in September than agents with less than a year's service who were not graduates of the school. The less-than-one-year school graduates produced an average of \$10,352 life insurance. The less-than-one-year men who did not enjoy the advantages of home office school training averaged \$7,300 life insurance that month.

in Canada has spent considerable time in the past year in analyzing the principles governing agency matters which have been subscribed to by the majority of companies. At a conference with superintendents of insurance it was agreed that the companies will continue to regulate themselves in all matters pertaining to the licensing, selection and control of agents.

The life insurance business in Canada has a great responsibility to convert earnings into increased savings as a contribution to stability, Mr. Parker declared. Nothing could be more detrimental to the war effort than to have increased earnings spent for non-essentials, when all available manpower is urgently needed in war industry. Moreover through the medium of life insurance there can be created for earners, a backlog of savings to stand in good stead at a time when employment will not be so great, when the war industries will have ceased and when the dominion will again be entering upon the conduct of its normal business.

Naming Permanent Colorado Commissioner Is Delayed

DENVER—Further delay in announcing the result of the examination for insurance commissioner was indicated when Mrs. Clara Wilkins, member of the state civil service commission, announced that due to the press of other work the commission has not yet had time to analyze the examination papers. She said it may be a month or so before the name of the permanent commissioner is made known. The commission has delayed giving the oral part of the examination, which was scheduled to follow the written examination within a day or two, and has set no date for it.

Meanwhile, Luke J. Kavanaugh is still in office as provisional appointee and is expected to continue in that position at least until the permanent commissioner is named.

Give your agents a new viewpoint. Distribute Carroll C. Day's "Little Red Wagons and Little Red Boots." Send \$1 for eight copies to National Underwriter.

Preparedness to Be Presidents' Theme

Some of the Highlights at the Annual Meeting in New York

NEW YORK—The theme of the annual convention of the Association of Life Insurance Presidents to be held in the Waldorf Astoria, Dec. 5-6, is "Preparedness." Commissioner J. C. Blackall of Connecticut, president of the National Association of Insurance Commissioners, will represent the field of insurance supervision, that being one of the features on every Life Presidents' program.

To aid in the development of the theme and the relationship of life insurance thereto, the association is making a number of special surveys, the results of which will be presented at the meeting in addresses by company executives. These studies cover such subjects as new life insurance for 1940, the total in force, and the year's disbursements to policyholders and beneficiaries. They will indicate the extent to which Americans are using life insurance in preparing for the future and the amount of the tangible benefits currently being received.

Other Surveys Made

Other surveys will disclose the 1940 mortality experience among life insurance policyholders and the trends in the investment of life insurance funds. A discussion of the service of the agency forces to the American public also is scheduled.

In addition, leaders in a number of outside activities will join life insurance executives in presenting their views. Government, religion, education, business and industry will be among the fields represented. A distinguished Canadian who is taking an important part in the defense activities of his country has been invited to address the gathering.

Political Contributions Are Barred in Indiana

Commissioner Viehmann of Indiana has sent a notice to all companies licensed to do business in the state, officers and directors, stockholders, attorneys and agents, that he has evidence that contributions are being solicited from companies for political purposes. Indiana companies, he said, in some instances are being solicited for funds to assist in the campaign of an insurance commissioner in another state. He calls attention to section 266A of the Indiana insurance law which prohibits political contributions and announces that any infraction will result in prompt action by the Indiana department.



Snapped at Research Bureau-Agency Officers Convention—I. M. Hamilton, chairman Federal Life; Claris Adams, president Ohio State Life; Jens Smith, assistant superintendent of agents, and W. M. Rothamel, agency vice-president Pacific Mutual Life.

Analyze Success Factors in Managers

Bureau Finds Top Men Are Leaders, Nervous, Have Sense of Humor

A discussion of the study the Research Bureau is now conducting in an effort to analyze the traits that characterize successful and unsuccessful general agents and managers was given by Albert K. Kurtz of the bureau staff at the meeting of the Agency Officers-Research Bureau in Chicago.

Some of the tentative findings are that leadership ability is conspicuously present among successful managers and the poorest leaders tend to be the least successful managers.

Men with the greatest sense of humor tend to be successful managers rather than mediocre managers and men with the least sense of humor tend to be mediocre rather than successful, but the relationship is not nearly so high as it was insofar as leadership ability was concerned.

Nervousness Is Advantage

Men who are most nervous are likely to turn out to be successful rather than mediocre managers whereas the men who are not nervous at all are quite likely to be only mediocre as managers. As to age, 10 out of 12 successful managers were under 33 when they were hired and only two were over 44; only two of the mediocre managers were under 33 and 10 were over 44. It appears that the item of age is quite important.

Mr. Kurtz pointed out that the problem of selecting better managers differs from that of evaluating the success of producers. For one thing, the new manager usually receives no such systematic training as does the new agent and the supervision to which he is subjected is different from that of the individual producer. Because of the greater diversity of duties of the manager, a far greater number of different factors are important for his success. These factors are more complicated and difficult to measure. Because of the comparatively few managers, employed, it is more difficult to secure data concerning them than it is of agents.

Mechanics of the Study

Mr. Kurtz told something of the mechanics of the study. Data has been secured from nine companies and will probably be secured from a few more. Excluded from the study are general agents of joint agencies, those appointed prior to 1921, those appointed since 1937, those appointed primarily as personal producers and the manager of the home office agency.

Cards are made out for each of the managers remaining. These are arranged in order by various home office officials on the basis of the achievement of the managers. The top 10 percent of the group and the 10 percent with the lowest ratings are included in the study.

Information of a factual nature is then developed concerning the various managers as well as information regarding their traits, qualities, etc., at the time of their appointment. This material is now being gathered.

Zone 1 Commissioners Hold Meeting in Hartford

The New England commissioners and the New York department were represented at the meeting of Zone 1 called by Commissioner Blackall of Connecticut in Hartford. There were present Commissioners Lovejoy of Maine, Roulard of New Hampshire, Harrington of Massachusetts. H. L. Weller, director of business regulation Rhode Island, was present and Deputy H. N. Morin.

Actuary J. E. Cleary and Examiner John Mahoney of Massachusetts were present. Actuary R. O. Hooker, Deputy Commissioner T. B. Royston, L. C. Smith, E. T. Garvin and Henry Shenck of the Connecticut department sat in the conference. Deputy Superintendent Edward McLoughlin represented New York.

Each individual official will aim to protect the business of the agents who

are called by draft, from being raided by competitors. It was said that in the larger cities the business of such an agent could best be handled through power of attorney for another agency to take over his office temporarily. In smaller places the wife or a friend might be licensed to take his place.

The commissioners discussed company examinations, real estate and foreclosed mortgages, alien companies,

countersignature practices and commissions.

Thomsen Wins President's Cup

Dan Thomsen, general agent General American Life, Amarillo, Tex., won the President's Cup for greatest percentage of paid premium increases for the quarter ending Sept. 30. He will hold the trophy for the next quarter.

MEETING CONDITIONS!

John was a young man of 30, with three children. John and his wife spent hours thinking just how a mortgage of \$5,000 could be paid should they purchase their much-desired family home. John also worried as to what would happen were his \$200 a month income to cease through accident, sickness or premature death. "Life Insurance?—yes, but how can I on my present income?"

To meet such family requirements The Midland Mutual Life Insurance Company recently introduced a Family Maintenance policy issued on 10, 15 and 20 year plans. This policy pays, beginning at death of the breadwinner occurring any time within the period chosen, a monthly income to the family for the full period of 10, 15 and 20 years, depending on the plan selected; and one month following the last of these monthly payments the policy pays to the widow a cash lump-sum equal to the full face of the policy. This is to guarantee her personal independence when the children are grown.

Meeting conditions that exist in the everyday life of those about us is the responsibility of life insurance. The Midland Mutual Life meets these conditions.

**THE MIDLAND MUTUAL LIFE INSURANCE COMPANY
COLUMBUS, OHIO**

Illinois Candidates for Governor Offer Pledges

Democrat Hershey Aims to Keep Insurance Under State Supervision

Harry B. Hershey, Democratic candidate for governor of Illinois, pledged that he would do everything within his power to keep insurance under state supervision if elected to office on Nov. 5. He was speaking before a group of 1,400 people in Chicago at the luncheon of the Illinois Insurance Committee, an independent organization of insurance people.

Mr. Hershey said that he had always advocated state supervision and that he would continue to do so. He feels that the problems of the individual states can best be solved at home.

Tells of Department Work

Mr. Hershey, who for the past seven years has been in charge of the liquidation bureau of the Illinois department, reviewed the work of the department since it has become independent of the commerce department. He said that up to this time in 1933 it had been used as a political football, but since had been put under men who were connected with the insurance business and who knew insurance. He promised that if elected it would continue to be run this way.

Mr. Hershey said that the director of insurance under his governorship would be an insurance man who had the confidence of all people connected with the insurance business, and that he would be a man who would safeguard not only the interests of the companies but interests of the policyholders.

Would Improve Examinations

He said that there are yet steps to be taken further to improve the department and that one of these would be a closer examination of any companies entering the state.

Mr. Hershey was introduced by Roy Davis, assistant director of insurance, in the absence of Director Palmer who was unable to attend. Dr. J. H. Pearce, associate general agent Connecticut Mutual Life, Peoria, presided.

J. A. Beha Corrects False Reports on Life Insurance

NEW YORK—James A. Beha, former superintendent of insurance of New York, has submitted an endorsement of the present high standing of life insurance. He said he has been disturbed by the apparent willingness of some misguided people to inject the subject of life insurance into a political campaign because of the possible misinterpretation by thousands of small policyholders of some of the statements on the subject of the present soundness of the life companies.

Reflections on Business Deplored

Mr. Beha regretted that anyone concerned with the progress and prosperity of the business of life insurance should allow any political expediency to justify the issuance of any statements reflecting on the integrity or the financial solvency of life insurance which, he averred, today is safer than at any previous period in its history.

Mr. Beha was appointed superintendent of insurance by Governor Alfred E. Smith and served until the end of Governor Smith's term. He has been continuously connected with some phase of the insurance business either as an executive or counsel ever since and is presently a director of two nationally-known life insurance companies, Western & Southern and Union Labor Life, and a member of the New York state insurance board.

Republican Green Promises State Regulation, End to Political Domination

Dwight H. Green, Republican nominee for governor of Illinois, promised at a luncheon meeting of insurance men in Chicago Tuesday that he would, if elected, do everything possible to retain state regulation of insurance and would see to it that a man was appointed insurance director of Illinois who would give efficient, effective regulation, free from partisan politics. The program to which he pledged himself also commits him unalterably as opposed to centralized control in the federal government in Washington, and to take steps to stop the diversion of public insurance out of its normal channels and to oppose political domination and control of insurance. He reiterated his statement made previously that he has made no commitments that would make it impossible for him to carry out the program outlined. "I won't be bound hand and foot before I go into office," Mr. Green said.

Calls Movement a Crusade

"We are engaged in something far above just the usual political campaign," he explained. "This is a crusade to preserve the American way of life. To endanger or destroy this institution is a crime against the masses, against America and the American way of life."

"A wasteful or corrupt government can injure or destroy both the protection and the property. One of the greatest new deal weaknesses is the steady weakening of the morale of the people. Life insurance is a bulwark of the nation. To weaken it would be to help destroy the people's morale."

He pointed out the huge assets involved in the insurance business and said there is no issue in the present campaign of regulation or no regulation. "Insurance, of course, must be regulated," he commented. "It is only a question by whom and how it is to be regulated.

"From Washington come reports of threats against insurance, the charges that insurance is being oversold, beyond

(CONTINUED ON PAGE 17)

Cooperative C. L. U. Fund Shows Increase in 1940

Subscriptions received in 1940 by the Association of Life Agency Officers' committee on training amounted to \$33,462 as compared with \$30,907 in 1939, according to Vice-president Cecil J. North of Metropolitan Life, who reported as chairman of the committee at the Research Bureau-Agency Officers meeting in Chicago.

The principal duty of the committee is to manage the cooperative fund for underwriter training. The committee has no voice in the management of the American College or the conduct of the C. L. U. course. The cooperative fund, through credit certificates issued against the fund, is disbursed among agents for the part payment of C. L. U. examination fees.

Incentive to Agents

Mr. North stated that the help offered by the fund attracted increased interest among agents for the C. L. U. course and there was a large increase in enrollment and in the number of candidates taking the examination. Agents accept the existence of the fund as visible proof that companies believe that training is necessary and valuable.

Mr. North recalled that 1,735 candidates presented themselves for C. L. U. examinations last June. The passing ratio was encouraging. As a result of this year's examination, 1,845 agents have now completed the entire series of C. L. U. examinations and 2,746 others have credit for the passing of one or more of the C. L. U. parts.

the people's ability to pay. I am familiar with the new deal method of laying down a barrage of charges before starting a blitzkrieg. Believe me, we are justified in being watchful."

Interest Action Harmful

Mr. Green said the new deal is preparing to increase the present heavy load of taxes. Its competition with private lenders to drive down the interest rate sharply reduced it—so that companies which formerly earned 5½ percent or so now are lucky to earn 3½ percent, he said. There is no saving to anyone here, he said, because the policyholders are forced to pay.

"Further centralization I believe," Mr. Green said, "will give the new deal con-

Cleary Reports on Loan Situation

Northwestern Mutual Life President Tells About the Present Conditions

President M. J. Cleary, Northwestern Mutual Life, in a report at the quarterly meeting of the trustees said the outlet for new money in both mortgage and bond fields continues at a low level. Speaking further, he said:

"However, as a result of an intensive effort by the personnel of both departments we have succeeded in finding an outlet for the funds which we are compelled to invest. The first nine months our investments in all branches of the mortgage loan department—that is, city, farm and residence loans—have shown an increase. The total increase for the period is approximately \$11,000,000. Construction in the commercial and office building fields is still stagnant and consequently very little new money is required in those fields."

Active Demand for Farms

"The first nine months there has been a rather active demand for farms. Our sales to date are materially above the level of the same period a year ago. The price of farm land has been steady throughout the year. Crop conditions in the major agricultural areas were reasonably good and the price level for farm products has improved. Many sections in the middle west have been short of moisture for fall ploughing and seeding."

"While the supply of satisfactory securities in the bond field has been thin, we have been successful in investing funds in corporate and municipal securities. In excess of \$77,000,000 was invested in these fields during the first nine months of the year. Our holding of government and government guaranteed securities is at the lowest point it has reached in the past three years. 1940 has been a relatively good year for the railroads and the upward trend of earnings is continuing."

"Notwithstanding a slow start in the selling of new insurance, the year to date has resulted in an increase over the same period of 1939 of almost \$10,000,000, or 6.8 percent. Except for the difficulty in finding satisfactory places for money at anything approaching a satisfactory yield, all other factors of the company's activity are moving in a reasonably satisfactory direction."

Watching the Newlyweds

A number of agents have taken advantage of the great number of marriages to get in touch with young couples and present life insurance protection. This influx is due to the conscription act. The number has soared to record heights, in some sections there being two or three times the normal number. In a great number of cases both the husband and the wife are employed. Life agents have been watching the marriage license records and have obtained some good prospects.

For State Regulation

DETROIT—Pledging allegiance to state as opposed to federal regulation of life insurance and urging competent personnel in the insurance department, M. D. VanWaggoner, Democratic candidate for governor of Michigan, set forth his views on life insurance problems in a letter to W. A. Post, Connecticut General, president Qualified Life Underwriters. "The vital important institution of life insurance can best be protected by vigorous state supervision," Mr. VanWaggoner declared.

The Shenandoah Life has declared a 6 percent dividend payable Nov. 15 to stockholders of record as of Oct. 31. Part of the stock is held by the company, which is in process of mutualization.

Leaders at LISRB-ALAO Meet



H. T. BURNETT



JOHN M. HOLCOMBE

Important places were taken at the Research Bureau-Agency Officers meeting in Chicago by H. T. Burnett, vice-president of Reliance Life, and J. M. Holcombe, manager of the bureau. Mr.

Burnett presided at two sessions as chairman of the bureau's executive committee. Mr. Holcombe gave the final address and was, of course, the big man at all times.

Bond Amortization Basis Presents New Problem This Year

TNEC Criticism Seen as Influence Toward Stricter Requirements

HARTFORD—Possibility that a sudden turn in European affairs might cause a temporary slump in values of bonds rated around Ba, coupled with the insurance commissioners' desire to remove the basis of the TNEC's criticism of qualifications for amortization makes the problem of the valuation committee of the National Association of Insurance Commissioners a particularly difficult one this year.

It is no secret that most of the commissioners resent the way in which the TNEC has gone about its direct and indirect criticism of state supervision. In its investigation of investment practices of life companies for the TNEC the Securities & Exchange Commission made much of the fact that amortization provisions permitted companies to carry bonds having a low market value on an amortized basis which gave them a book value of 95. This was one of the SEC's chief targets in the investment study for the fact that a bond with a depressed marked value could be carried at 95 lent itself readily to the SEC's task of dramatizing the alleged faults in the way companies handled their investments. The fact that companies carry reserves against these bonds not paying off in full at maturity was soft pedaled.

While such extreme cases were relatively uncommon many commissioners would like to see the requirements for eligibility to amortization tightened up so that this lurid type of publicity would not be possible. At the same time, the commissioners have to be mindful of the effect of any drastic change in the requirements, particularly on the companies directly under their supervision.

The outlook for low grade bonds is currently good, as securities of this type tend to increase in value as prosperity returns. Yet it might be risky to rely on their continuing to rise, with a possibility that a sudden change in the European situation might reverse the trend. Even though the downward fluctuation proved only temporary it would affect valuations if it occurred before the year-end and recovery did not occur until after Jan. 1, 1941.

The New York requirement on valuations last year provided that bonds to be eligible for amortization had to be rated at Ba or better, had to have sold for at least 50 within the last three months of the year and had to be "amply secured." While the use of amortized values rather than year-end market values is generally considered to be characteristic of life companies, yet savings banks and commercial banks holding securities until maturity also use the amortized basis.

There has been some confusion between so-called convention values and amortized values. Convention values were devised during the depression and represented a modification of market values to eliminate the need of using year-end market values when the latter were so low as not to reflect the actual value of the securities.

Directory Is Issued

The current directory of the American College of Life Underwriters has been issued, combined with an announcement of its aims and all information necessary for gaining the C. L. U. degree.

Attention is particularly called to the statement of experience requirements, to information regarding new Part II examination and to a date for the 1941 examination. The headquarters are at 36th and Walnut streets, Philadelphia.

Monarch Life Is Extending Its Training School Plan

The Monarch Life, which since July 1, 1939, has maintained a permanent training school for agents in the middle west at Michigan City, Ind., in which more than 120 men have received the

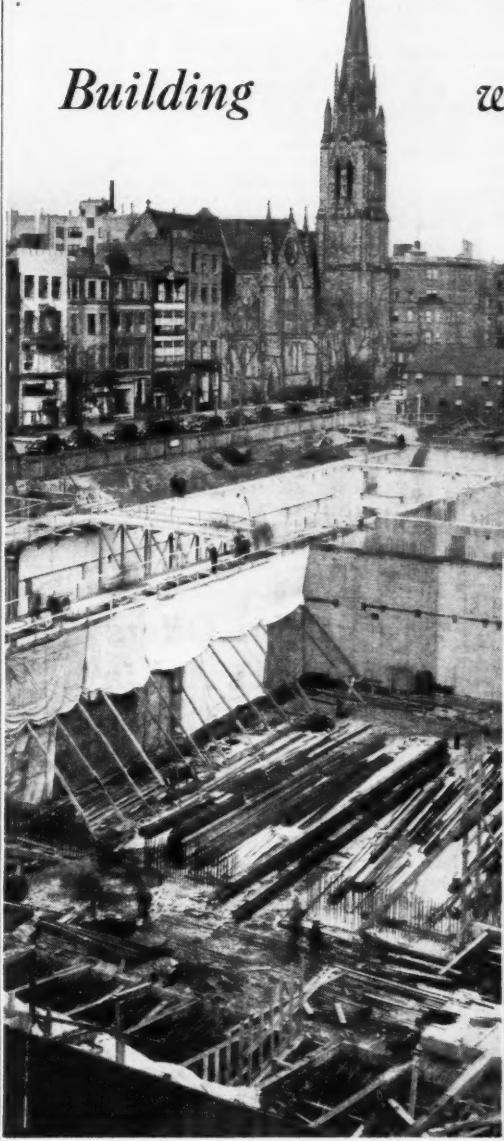
equivalent of three weeks' training each, is moving that school Nov. 1 to Oak Park, Ill., Chicago suburb, to provide greater accessibility and facilitate company participation.

Jack Follett of Kalamazoo, who has been in charge of the Michigan City school since its inception, has just been appointed general agent for western Michigan. He has been with the Monarch for nearly 12 years as salesman in Michigan and supervisor before taking up the Michigan City training work. He is succeeded in charge of the western school by A. A. Altermatt of Des Moines, who has had considerable ex-

perience under Manager R. V. Lynch of the Minneapolis agency and as a supervisor.

Because of the notable results obtained in the western school, a similar school for eastern agents has been established at Tannersville, Pa., in charge of W. R. Hill, who has extended sales experience and has worked as supervisor in Baltimore, Philadelphia, Boston and New Jersey.

Alan W. Crowell, agency secretary, has been placed in charge of the selection of men who desire to attend the Monarch schools and the training curriculum at the schools.



Building

with New England Mutual

Reinforcing YOUR Equipment

Life underwriters who are intent upon success often find that their foundation course of training . . . even one as outstanding as New England Mutual's *Career Underwriting* . . . is not enough.

Their mental equipment must be supplemented and reinforced constantly if they wish to build for the future. To encourage and assist their representatives to keep abreast of modern trends, New England Mutual is this fall inaugurating a course in *advanced underwriting*.

A sound, constructive approach to tax and estate problems, business insurance, etc., is essential. With many of its specialists already acknowledged leaders in these technical branches, the same opportunities will now be opened to the considerable percentage of the Company's field organization which is known to be capable of rendering this exacting type of service.

This is another phase of Company coöperation which also insures the most effective presentation of New England Mutual's remarkably liberal* policy contract.

*For instance, insured may convert to a higher premium form simply by paying the difference in the reserve.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

★ FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA ★

Urge Actuaries' Aid in Making Democracy Survive

WHITE SULPHUR SPRINGS.—R. A. Hohaus, assistant actuary Metropolitan Life and president American Institute of Actuaries, urged the actuarial profession to militantly discharge the responsibilities of making democracy survive in the United States and Canada. He also predicted that the growing social and economic complexity will mean continual broadening of the scope of actuaries' tasks.

Speaking at the joint meeting of the Actuarial Society and the American Institute of Actuaries, Mr. Hohaus said:

"In these times we must all do more than espouse the democratic principles. We must do more than believe in them or live them. We must accept without hesitation the responsibilities and the sacrifices which fall on each one of us as an integral part of our way of life. We must know our individual purpose and role in this life and serve it with all that is within our power. And do so gladly for no other way will seem worth living."

Cites Professional Freedom

"As a profession we are fortunate in knowing full well what that means. In our organizations we have always proceeded in accord with the democratic concepts of the freedom, the power and the dignity of the individual, and we have each willingly assumed the responsibilities which necessarily accompany those rights and privileges."

"Most of us are engaged in life insurance—an institution which has for years played a very important part in preserving and strengthening our democratic way of life. It has made it possible and desirable for individuals to make sound provisions to carry on their individual responsibilities to their families in case of their death, and to themselves if they reach the age at which they will no longer be productive members of society. With that background, we are able—and I am confident we are willing—to do our full part in persuading ourselves and our fellow citizens at home to discharge militantly the responsibilities we each have in making democracy survive."

Mr. Hohaus pointed out that the tasks of actuaries will continue to grow in scope.

"Whatever the future may hold in store," he said, "complex social and economic problems will likely present themselves which our special training may help to solve. We can see some of them appearing on the horizon already. No doubt the falling birth rate and the social and economic questions posed by this trend will come in for much discussion in the future. The underlying importance of the family in our social order has already introduced the 'family security' concept in social insurance, and may well result in studies of the practicability of its extension to other fields in our economic life. In these and many other respects our profession will be able to offer great service."

Mr. Hohaus cited the cooperation of the two actuarial bodies and expressed hope of even greater accomplishment in the years ahead.

Scope of Studies Broadened

Mr. Hohaus said that a chronological review of the more than 200 papers which have appeared in the "Record," which contains the proceedings of the American Institute of Actuaries, showed that the trend has been away from limitation to purely mathematical and technical subjects and expansion of the members' range of inquiry, with emphasis being placed on the different subjects as needs for study varied.

"Thus, for example, the first papers on selection of risks appeared in 1920 and have been followed by many more on that and related topics as we became

SUN LIFE IMPORTANT CHANGES

Ray H. Finger, superintendent of eastern United States agencies of the Sun Life of Canada, has been appointed manager of the Los Angeles branch to succeed H. S. Standish, who will retire shortly. For some time Mr. Finger had expressed a desire to return to field work in the United States.

Seth C. H. Taylor, now superintendent of western U. S. agencies, will succeed Mr. Finger as superintendent of the eastern United States division. A. C. Coughtry, formerly associate superintendent of western U. S. agencies, takes over sole control of that division and with it the title of superintendent western United States agencies.

Mr. Finger's Career

Mr. Finger has been connected with the Sun Life of Canada since 1926, when the Sun Life absorbed the Cleveland Life, of which Mr. Finger was manager of agencies. In 1927 he was named branch manager at Pittsburgh, and in 1936 manager at Seattle. In December, 1937 he was advanced to superintendent western United States agencies, being transferred to the eastern United States division in a similar capacity in November, 1939. In Cleveland he acted as manager of the Cleveland Advertising Club.

Mr. Taylor has been with the Sun Life since 1928. Previously with the Western Union Life as superintendent of agencies, following the merger of that company with the Sun Life he became

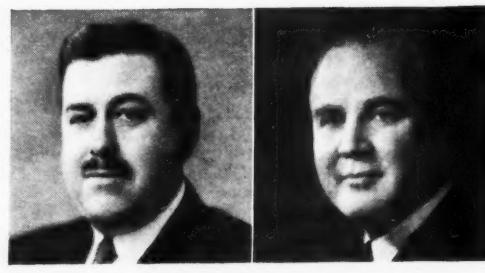
more and more extensively interested in the underwriting field," he said. "The advent and growth of group insurance in various forms were accompanied by contributions to 'The Record.' The increasing concern of the profession with investment, legal, and agency problems is also recorded. Likewise social insurance has had full recognition as general interest in it developed."

Cites Cooperation

"Progress has been made no less in the cooperation of our two organizations. At the joint meeting in 1929 the president of the society asked, 'Are there duplications of effort by these two bodies which might be replaced with advantage by other activities?' Looking back we see that as unnecessary or avoidable duplications of effort became apparent they were replaced by a cooperative arrangement undertaken in a truly mutual spirit.

"In 1929 joint examinations covered only the first half of associateship. Today they cover all the parts. Separate committees of each body have been replaced by the joint educational committees and the joint committee on problems and solutions. The committee on actuarial studies, now joint, was originally a committee of the society alone. It is now a common occurrence to have matters of mutual interest studied by special joint committees. . . Whether the mutual efforts were undertaken through a single group or through committees or individuals representing each body they have been conducted in a most friendly and sympathetic atmosphere. At least some of the questions that arise are of a nature which might easily result in friction and irritation in a less favorable environment."

The first meeting of the C. L. U. study club at Columbus, O., was held at the Ohio State University. It is sponsored by the Columbus C. L. U. chapter and the educational committee of the Columbus Life Underwriters Association. Prof. J. Wayne Ley, assistant professor business organization, is instructor.



S. C. H. TAYLOR

R. H. FINGER

manager at Cincinnati. In 1936 he was called to the head office to take a position in the sales promotion division, and the following year was named assistant superintendent of agencies sales promotion division and in 1938 superintendent of sales promotion. On Nov. 15, 1939, he was appointed as the superintendent of the western United States agency division.

Coughtry Was London Assistant

Mr. Coughtry joined the Sun Life as a group representative in 1926. Transferred to London, Eng., in 1928 as assistant group manager, he returned to head office after an absence of two years to become assistant supervisor group department, later superintendent of group sales. In 1939 he was named associate superintendent Canadian agencies, from which post he was transferred to the western United States agency division in a similar capacity, early this year.

Mr. Standish was appointed to that position in 1924. He is a past president of the Los Angeles Life Managers Club.

Douglas Offers Mutual's Aid in National Defense

NEW YORK.—Lewis W. Douglas, president Mutual Life, has sent to each member of the advisory commission of the council of national defense and to the President, Secretary of the Treasury, the federal loan administrator and the chairman of the board of governors of the federal reserve system, the following letter:

"The government has launched a program to provide this country with adequate armament and facilities for armament production. The speedy fulfillment of this program constitutes America's immediate and pressing need. The Mutual Life of New York wishes to offer to you and to those associated with you all cooperation in efforts to help the country fulfill this need in the shortest possible time.

"The armament program entails extensive construction of plants and facilities, and of housing accommodations for those who are to be employed in them. The utilization of private capital for all these requirements is, in so far as it is practicable, a desirable national objective. The government and its agencies will also have large financial needs. In the development of financial techniques, particularly in the form of long term obligations by which this objective can be achieved, we may be able and are anxious to be helpful.

"This company desires to be of all possible service, and to cooperate with the appropriate agencies of the government, in these important matters affecting the public interest."

To Study Other Lines

BUFFALO—The Buffalo C. L. U. chapter is planning a series of lectures on merchandising technique by sales executives in various lines. Between these lectures, the C. L. U. group will hold informal open forum discussions in

Agency Officer Must Give Clear Direction Today

John Marshall Holcombe, Jr., manager of the Sales Research Bureau, was the closing speaker at the annual joint convention of the Research Bureau-Agency Officers in Chicago, and gave an inspiring message entitled "Management in Action." Never has the responsibility of the agency officer to give clear direction to his associates and subordinates been so great as it is today which is a time of great doubt and of great confusion for agency heads as well as for all others.

Management must make clear and reachable the objective to have the sales become a profitable transaction to policyholder or beneficiary, company agency head and agent. To reach that objective, the agency head must be a sales manager and a business manager. He must deal effectively with each agent in an endeavor to make him successful and he must oversee the outgo of money. The agency head should develop a group of agents with complete opportunity for the exercise of their individual talents but operating on a standard pattern. Management must seek stability and success in its agency force.

Persistent Business

Since the characteristics of persistent business are now recognizable before the policy is issued, wise management is directing agents to do business which possesses those characteristics. Business of good persistency is traceable to the activities of management in selection, training and supervision of agents. There should be a virile attitude toward it on the part of all persons.

Every effort should be made to improve those agents with a greater potential and to eliminate those with a less potential. Management can build through present agents by helping the man in their work habits, prospecting, selling technique and attitude.

Management should not hire more agents than can be developed into successful men. The agency is most successful that achieves a given result with the least recruiting each year. Recruiting will become less of a problem and more of a process as the number of successful agents increases and the number of unsuccessful ones decreases. In order to make a real selection of agents, there must be a sufficient number of candidates and the prospect's aptitude for selling must be analyzed. These conditions are being fulfilled in the better managed agencies.

In order to reconcile the immediate necessity for prompt income and the ultimate objective of permanent and successful agents there must be initial training that imparts sound procedures and a suitable minimum of technical knowledge followed by continuous and thorough training in procedures and knowledge. The initial training should stress enthusiasm, knowledge of needs, habit of working efficiently and sufficiently, prospecting and selling skills and knowledge of life insurance.

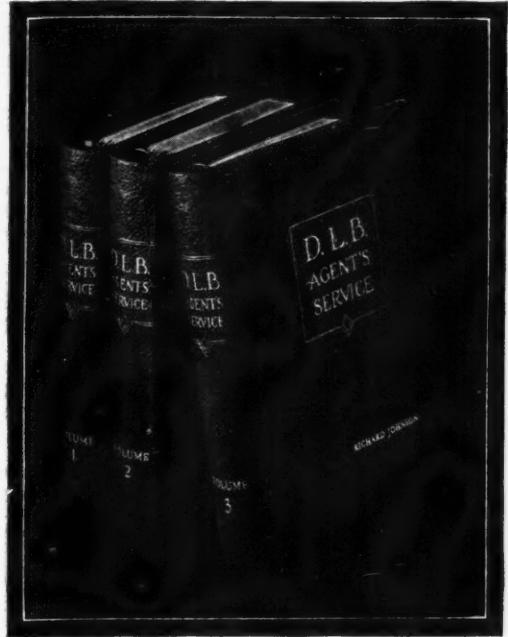
Management must strive to instill a state of high morale. That is the "main spring of management," he said.

Each of the activities must be placed and retained in proper balance so that there will be continuous instead of sporadic attention.

Management must avoid the temptation to utilize what looks like short cuts in management. They are likely to be a mirage.

which the presentations of these sales managers will be analyzed to determine their applicability, if any, to the life insurance business.

The first talk will be given Nov. 6 by Dr. H. J. Barrett, sales service director of the R. & H. Division of E. I. du Pont de Nemours & Co., Niagara Falls.



*Congratulations to 67 Agents
OF THE SOUTHWESTERN LIFE OF
TEXAS WHO STUDIED AND
PLANNED THEIR WAY TO
Increased Production of 45%!*

1. The Southwestern Life Insurance Company helps certain qualified men to buy the D. L. B. Agent's Service — under a Company plan.

2. Records are available for the first 6 months of 1940 on 67 men who enrolled in the D. L. B. Course last January.

3. 52 men increased production
1 man held even
14 men showed a decrease
Increase of the group, as a whole, 45%.

4. These men have been with the Southwestern an average of 6.4 years. But 29 were 1, 2 or 3 year men. Oldest in service — 22 years, youngest — 1 year.

5. Total paid production of the group of 67 (in 10 different Agencies) from January-June 1940 compared with January-June 1939 showed a 45% increase.

6. Says Ben H. Williams, able Director of Sales: "Undoubtedly the study of the D. L. B. Agent's Service and the following through on a planned program of work must receive the major credit for the increased production."

7. Each man after studying the text, answers the QUIZ QUESTIONS furnished by the D. L. B. Agent's Service. Answers are sent to the Home Office for grading and comment by R. R. Davenport and Hulbert Nutt.

8. Each man follows through by advance planning and by daily, weekly and monthly records.

9. In 1939 these men were NOT following a planned, continuous study program and were NOT following a planned and recorded work plan. In 1940 they DID so follow. Result — 45% gain in production.

10. Moral

USE THIS COUPON

THE D. L. B. AGENT'S SERVICE
420 East Fourth Street, Cincinnati, Ohio

Here is my \$7. Send me the 3 volumes of D. L. B. Agent's Service with my name embossed on each volume. If I return the volumes within 30 days you will refund my money. Otherwise you will supply me with the Monthly Supplements including the magazine "Odds and Ends" for a minimum period of one year—for which I agree to pay \$1 per month.

Name _____

Address _____

Company _____ Title _____

City _____ State _____

(You can save \$3: First year cash rate, check with order, \$15.)

May Have to Force War Clause Action

Rejection of Business If States Fail to Act Considered

NEW YORK—Rejection of business which should carry a war clause but which can't because of state laws or regulations may be the only course that companies have left to them in some states. This would be drastic and companies would prefer to avoid such action but where the situation reaches an impasse it may be a means of bringing the legislatures around to the realization that war clauses are inserted for the protection of policyholders against the drain of claims not contemplated in the rates and are not an attempt on the companies' part to shirk a reasonable obligation. The latter impression seems to prevail in some states, the view apparently being that if the companies cannot get permission to use war clauses they will issue business without them.

Fortunately next year is an odd-numbered year and nearly all legislatures will be in session. The hope is that the situation can be ironed out before the necessity of rejecting business on a large scale because of lack of a war clause becomes a serious inconvenience to policyholders and unduly expensive for the agents and the companies.

Where Statutes Are Needed

New York, Texas, Minnesota, Iowa and Nebraska are the states where inability to write a proper type of war clause leaves remedial legislation as the only alternative to rejecting a great deal of business that would be entirely satisfactory if the war rider could be used. In Illinois and Oklahoma no aviation exclusion clause can be approved.

The new New York insurance code permits a war clause but permits it to apply only to deaths arising out of military or naval service. This provision is unsatisfactory from the companies' point of view because it opens the way to endless possibilities of disagreement over whether a given death is actually the result of military or naval service or not. From the policyholders' point of view it is unsatisfactory not only in that respect but also because death might result from military service years after the insured had left the service and hence not be covered.

The type of clause preferred by the companies permits them to deny a claim and limit liability to return of premiums where death occurs while the insured is in the military or naval service. At the last session of the New York legislature two bills were passed, one permitting this type of clause for ordinary policies, the other permitting it for industrial. For some reason Governor Lehman approved the one relating to industrial but vetoed the one applying to ordinary.

Chinese Puzzle in a Death Claim Case

W. E. Trout, supervisor of claims for the Penn Mutual Life, recently had a "believe it or not" settlement, wherein the death claim was paid to the insured on the death of the beneficiary! This Chinese puzzle only seems to be upside down. The insured had assigned the policy to his wife, the beneficiary. She surrendered the policy, with the values payable on monthly options, with the provision that upon her prior death the remaining options should go to the husband. Then the beneficiary died, and the remainder of the money was promptly paid to the insured.

New Officers Are Named by Dallas C. L. U. Chapter

Lyman E. King, general agent Minnesota Mutual Life, was advanced to president of the Dallas C. L. U. Chapter at its annual meeting. He succeeds John P. Costello, Southwestern Life, and was formerly vice-president. He has been prominent in association activities in both Texas and Kansas, where he lived before going to Dallas.

Henry S. Miller, Jr., Bankers Life, was moved up from secretary-treasurer to vice-president. Ben H. Williams, sales director of the Southwestern Life, was elected secretary-treasurer.



Lyman E. King

Interesting Data on Penn Mutual's Four First Year Leaders

PHILADELPHIA—Because President John A. Stevenson of the Penn Mutual Life is always so keenly interested in first-year agents, the company has a "President's Club for New Organization."

Every first-year agent is placed in competition with all the others throughout the country who enter the business in his first month, and at the end of 12 months the leader by volume and the leader by number of lives are made members of the organization. Four times a year a quarter-year's winners are sent to the home office to be inducted into the club during a two-days' visit.

From Wichita, New York, Fort Wayne and Memphis went four of these winners, to be greeted by Vice-president Wallis Boileau and officers of the agency department. They were presented to President Stevenson, and entertained by him at a luncheon.

All Received Diplomas

The president presented each a diploma of outstanding achievement, and went over a regular trustees' report with them, analyzing it in such a way as to provide a sort of miniature board meeting. The group spent the remainder of their time in a concentrated study of the home office system, every department in turn welcoming them.

E. S. Anderson, Hyde-Adler Agency, New York, in his first year produced sales of \$208,337 on 48 lives. He is 34 years old, a graduate of Columbia, and before entering life insurance was a newspaper executive in Washington, Brooklyn and Boston.

August Epp, Nicholls Agency, Wichita, in his first year produced \$207,768 on 122 lives, thus becoming a winner by both lives and volume, and, incidentally, selling more cases in a first year than any member of the club to date. He is 45 years old. Before selling insurance he was a bank cashier in Newton, Kans.

Features of Other Leaders

Paul R. Skinner, Gregory Agency, at Fort Wayne, in his first year produced \$98,659 on 25 lives. He is 48 years old. For ten years he operated a fleet of trucks, and was a former assistant street commissioner in East Chicago, Ind.

J. P. Black, Sibley agency, Memphis, in his first year produced \$82,250 on 47 lives. He is 33 years old. He was a graduate of Branham & Hughes Military Academy, later attended Union University, had a commercial course, attended American Institute of Banking. For two years he was secretary to a

Analysis Verifies Bad Mortality of U. S. Presidents

WHITE SULPHUR SPRINGS—Presidents of the United States have less chance of living a normal life span after assuming office than do defeated candidates for the position, it was revealed in an analysis made by F. L. Griffin, Jr., assistant mathematician Prudential, and presented at the joint actuarial meeting.

The figures showed that since the civil war the chief executives after assuming office have had a shorter expectation of life than vice-presidents, cabinet members and Supreme Court justices. Earlier presidents showed a death rate lower than these other federal officers.

Rate Getting Worse

Prior to 1865, the presidents showed a death rate of 92 percent of the expected rate, according to a basic mortality table, while since 1865 their death rate has been more than three times the earlier figure. Elimination of the assassinations makes little difference, the rate prior to 1865, without them, being approximately the same.

Justices of the Supreme Court show a contrary trend. Their death rate today is about one-fourth the death rate of the presidents. This same trend is also shown by vice-presidents and cabinet members. Vice-presidents show a death rate less than half that of the presidents. Cabinet members show a rate about one-third that of the presidents.

Proof of Common Belief

"These figures seem to give proof," Mr. Griffin said, "to the commonly recognized increasing onus of the presidency. Likewise the longevity of Supreme Court justices in recent years is confirmed. Each of the groups except the presidents exhibits an improvement in mortality during the second half of our history to date. This would logically be expected if there has been any improvement in population mortality at the ages in question, and would make the tripling of presidential mortality in the later years even more spectacular."

Mr. Griffin also studied the figures divided between elective and appointive offices. Prior to 1863 there was no difference, both groups showing precisely the same figure. Since 1865, however, elective offices showed a death rate of more than twice that for appointive offices. "It might be argued," he said, "that part of the heavier mortality among elected officers is due to the rigors of making political campaigns and the necessity of remaining in the public eye."

Losers Also Studied

A study of the mortality of unsuccessful major nominees for the presidency was also made for candidates since 1865. This showed a death rate of less than half the death rate for presidents, but 50 per cent greater than the rate for appointive offices.

"Only 11 former presidents have exceeded their life expectancies upon entering office," Mr. Griffin said, "and of these, nine were elected prior to 1860. Only Cleveland and Taft have done so since the Civil War, both by the narrowest of margins."

railroad general manager, nine years in a New York bank.

The average age of these four first-year leaders is 40, which is about 10 years more than the average of the previous members of the club. All are active church members. Two had college education. None had previous life insurance experience. Their own life insurance coverage averages \$17,600.

Give your agents a new viewpoint Distribute Carroll C. Day's "Little Red Wagons and Little Red Boots." Send \$1 for eight copies to National Underwriter.

Minnesota Mutual Works Out Figures on Conscript Plan

The Minnesota Mutual Life had a series of regional meetings and in all of them the draft question came up. General agents were wondering how it would affect their chances of getting an agent and others were wondering how it would effect their chances of doing business. The company got some figures together. Approximately 16,500,000 men all over the country completed registering. The law provides that a maximum of 900,000 may be called up for training in any one year. It is further stated that the War Department's decision is not to call more than 800,000 in any one year. During the first 12 months not over 400,000 will be called.

Taking the figure 800,000, the number that presumably will be drawn year by year, beginning one year hence, means that the chance is approximately one in 20. Even this figure may in particular states be much reduced. For instance, in North Carolina, where there had been an unusually large number of volunteers before the date set for registration, the number to be drawn will be fewer than in other areas.

Then the Minnesota Mutual points out that the table indicates 7.85 deaths per 1,000 at age 21, and 9.09 at age 36, or a death rate ranging from not quite 8 to just over 9 per 1,000. Then the chance of being drawn in any 12 months period is in round figures about five times the chance of death during the same 12 months. Then the company points out that it must be remembered that once a person is drawn and has been in training for one year, the risk of further interruption of plans is eliminated, whereas the chance of death is present from year to year and at an increasing rate. Being drawn for one year may upset one's plans just a little, the company points out, but death stops them all once and forever.

Can Be Made Sales Argument

The Minnesota Mutual's general agents, bulletin says:

"From another angle it may be assumed that if a prospect were disposed to defer the purchase of needed life insurance because of the chance of being drafted, it would be the termination (or a substantial reduction) in his current income that he really feared. Cannot such a prospect be made to realize that such termination of income (which he fears for himself) is precisely the danger that his wife and children face year after year in the event of death, which risk is one-fifth as great? It must be apparent that if the need of life insurance in a given situation has been thoroughly established, any suggestion of delay because of the possibility of draft, can be made an excellent reason for buying now."

"It may be well to observe further that it is not unlikely that provision will be made as in the last war, to enable draftees having reasonable amounts of life insurance to retain their insurance during the year of training and for a reasonable period thereafter."

"And assuming that to be the case, such prospects might well remember that policies currently being issued, do not have war clauses which may well be contained in policies to be issued later. Does not that mean that in life insurance, and for people aged from 21 to 36, life insurance is on the 'bargain counter' for the present, but only for those who are wise enough to act quickly?"

"One further thought,—there is little doubt that the names of individuals being drafted will be published in local papers, once the machinery is fully in operation. Should not the thinking life insurance man make it his business to call upon every available individual who is 'caught in the draft' offering his services in connection with any insurance that such draftee may have."

Commends Example of Auto Makers

George E. Lackey of Detroit, general agent for Massachusetts Mutual Life and a past president of the National Association of Life Underwriters, in addressing the Agency Officers-Research Bureau meeting in Chicago this week, covered a wide range of topics. He commended to his audience some of the principles of automobile manufacturers. For instance, he commended the automobile companies for spending millions of dollars annually to bring about public acceptance. In life insurance, he said, overhead can be reduced if better public acceptance is brought about. If there were complete public acceptance, five times as much business could be done with the same manpower.

Like the automobile people, he said, insurance in its advertising and selling should use simple phrases. He suggested: "Life Insurance—the only Lifetime Investment;" "Make Your Dollars Do Multiple Duties by Depositing Them in a Life Insurance Company;" "Have You Bought Your Annuity Yet?"

Selling techniques that are put out by "nonproduction men at home offices," he said, should be "transferable." Some of the plans that are put out are too complicated, he declared. Mr. Lackey said that the home office and general agents should check the turnover of manpower by use of planned retraining programs. He said that in Massachusetts Mutual the top 50 producers in 1929 had a total paid business of \$9,983,091. Ten years later nine of them were general agents, one is dead, 16 have left the company and 24 remain. Of the remaining, nine appear among the first 100 leaders with a total production of \$3,869,133. In his own agency, Mr. Lackey said, 16 of his present organization of 78 were with the agency 12 years ago.

The companies, he said, should build long range programs. They should look ahead for the next 10 years in order to maintain a normal increase. Mr. Lackey sketched the definite program that he has outlined for his agency in 1941.

Mr. Lackey gave some observations on enthusiasm, handling men, morale, discipline. He told of the new plan for inducing college men that has been projected. He commended the companies for making possible the S. S. Huebner Foundation.

Business as Usual Urged on Agents by McAndless

People live together more closely than at any time in history and do more speculative thinking about the effects of national events upon their individual lives, but unfortunately in times of great stress, these speculations are likely to be distorted by fear. A. J. McAndless, president Lincoln National, commented in a message to agents printed in "Emancipator," the company's publication. Many opinions are heard as to what will happen in the financial and industrial life, and there is even talk of

a general social and economic collapse, he said. Thus, every day business affairs are dwarfed and diminished by the shape of things to come.

"The normal tasks of business in these disturbed times are not unimportant. They are more important than ever," Mr. McAndless declared. "The whole national economy rests upon the production of goods and services to be used by and for society. It stands upon the efforts which each individual makes toward the productive process. There is at least this consolation in the present situation—that great changes have overtaken the nations of the world before, and out of them has usually come a better world. If we but continue

with our individual responsibilities and ideals, we need not fear the future.

"As an underwriter, you represent one of the great institutions devised by man for his individual security—life insurance. You are the instrument by which this institution renders an incomparable service. Do not allow yourself to be diverted by aimless and unprofitable speculation. Think deeply upon your own job. In life insurance, the slogan today should be, in a very real sense: 'Business as usual.'"

Convinced of the value of home interviews in securing the undivided attention of his prospect, J. C. Nigrelle, Great Southern Life, San Antonio, Tex.,

found prospects reluctant to make home interview appointments in advance. He found that by not asking the prospect to set a definite time he can get him to agree to the idea of the home interview.

"Mr. Prospect," he says, "I believe this proposition is of sufficient importance and interest to you to justify your going into it with an open and free mind. How would it be for me to drop by your home sometime in the evening when I am in your neighborhood for the purpose of going into this matter?"

The prospect usually agrees that this is all right and when Mr. Nigrelle calls he reminds the prospect of the agreement so as to eliminate any feeling that he is intruding.



POWER LEADS TO THE "PAY-OFF"

Cheers and good intentions won't send the ball to the waiting arms of a receiver. Power will do it, if the throw is accurately timed.

The power to turn a prospect's good intentions into future income for his family is yours when you sell the John Hancock

Readjustment Income Plan. How it provides this money, in amounts that are timed to do the greatest good, is graphically presented to millions of potential customers through national advertising. It's a winning combination.



First Death Claim in Twenty-three Years

The Guardian Life has an agent, Elmer McKernon, whose home is at Elmwood, Wis., a village in the hills of the northwestern part of the state. He has been selling life insurance for the Guardian Life for 23 years. His average production runs between \$50,000 and \$75,000 but it has always been excellent. Ninety percent of it has persisted, which is a record of which few life salesmen can boast. After 23 years the company on Oct. 27 received the first death claim on all his insurance that has been in force.

Give Details of New Proposal

(CONTINUED FROM PAGE 1)

to nine years. If the agent is expected to service the business beyond the 10th year, he should be paid for doing it. Nine renewals, he said, do not sufficiently recognize the value of long service when the job is well done, and the traditional basis does not offer the agent enough security in later years.

Custom and Law

Any quick and easily adopted plan must violate custom as little as possible, he declared. It must meet certain legal requirements. Perhaps it may be desirable to change custom and law, but that is a problem for the future.

The plan must be more attractive to the established agent than the present plan. It should be more attractive to the good agent than to the poor one.

A reduction of the first year commission with an equivalent increase in the first and second renewals, he declared, gives more weight to persistency during the early renewal years when the danger of lapse is greatest and it tends to stabilize the agent's income and to smooth out the fluctuations caused by variable production.

Under the new plan, the earnings from the same efforts would not be less and may be more than under 50 percent and nine 5's. The first three commissions are approximately equivalent under the two contracts; the next seven are identical.

The committee favors a continuous fee because it compensates the good agent directly for his service; it helps to stabilize the agent's income; it offers an incentive for persistency and it is a reward for long and meritorious service.

Question of Pension

An adequate pension, properly related to performance, should be included in any plan of compensation, the committee believes.

Two plans were seriously considered by the committee. The first provided for 30 percent, two 17's, seven 5's and 3 percent thereafter. This was created by retaining nine 5's and splitting the first 50 into 30 percent and two 12's which would be vested.

However, it was decided that the first commission was too small to be acceptable to most agents and would make the financing problem too difficult. Some felt that on the whole the scale put too much emphasis upon renewals and not enough upon new business.

The committee decided that the 2 percent fee should be made subject to some qualification other than production. It might be contingent upon a certain grade of persistency or upon a certain amount of insurance in force. The intention is to pay the fee only to those agents who are doing a good job. It might be possible, depending upon the available margin, to pay more than 2 percent to the better agents.

Incidentally, Mr. Morrison said the committee was convinced that there should be no forfeiture or loss of renewals for temporary non-production.

Final Net Unit Cost

The first premise of the committee is that the final net unit cost of any plan should not exceed the present scale.

The face value of the proposed scale is greater than the present system. The additional money would come from reversions, but it is hoped that ultimately it would come from expense savings resulting from better efficiency made possible by a lower turnover of agents and an increased per capita production.

If the present vested interest is retained, it is impossible substantially to improve the compensation of the active agent under the cost limitations.

Under the committee proposal, money which now goes to resigned agents would be paid to the active and the retired men in the form of longer renewals, death benefits and pensions. The important factors are the termination rate of agents and the production of

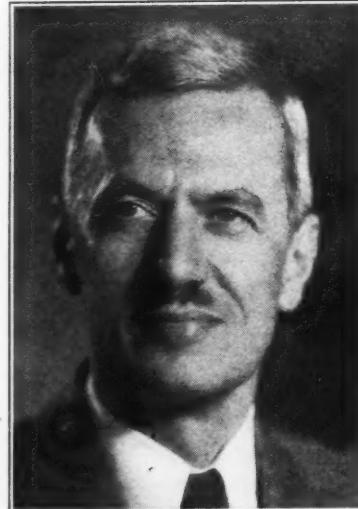
those who terminate. If the termination rate is high, there would be a larger volume of reversions with which to compensate a fewer number of men. The proposed plan would cost less than 50 percent and nine 5's when agency conditions are poor and more when conditions are good.

Mr. Morrison said that high turnover and low per capita production is the great cause of high unit agency costs. The reverse is also true. If turnover should improve to the point where the necessary amount of forfeiture were not forthcoming, the resulting increase in commissions would probably be offset by savings and expense with a larger share of the total going to the agent and a smaller share to overhead.

Under 50 percent and nine 5's and with A persistency, an agent's income from \$3,000 in new business annually starts with \$1,500 and stabilizes at \$2,490 in his tenth year. Under 40, 15 and 10, it starts at \$1,200, is \$30 behind in the second year and then runs \$90 ahead for the next eight years, becoming \$2,580 in year 10. It then increases to \$2,800 in year 20 and to \$3,070 in year 30. The latter figure represents an increase of 23 percent over the old scale. With C persistency, the two scales are about the same from the third year onward. The 10th year incomes are \$2,040 for both the old and the new scales.

McCONNEY'S VIEWS

E. M. McConney, vice-president of Bankers Life of Iowa, added some observations on the question of agency compensation supplementing the points made by Mr. Linton and Mr. Morrison. He said that a system of compensation must pay for three job functions and



E. M. MC CONNEY

satisfy three human desires. The job functions are to write new business, to keep business in force and to give policyholders help in regard to settlement options, changes, etc.

The human desires are to make a living when the agent starts on the job commensurate with what he could earn with his ability; to avoid violent fluctuations in his income after he is established; and to make some provision for his old age.

Legal Restrictions

The problem also involves the effect of any change on the surplus of the company and legal restrictions in some states, notably New York and Wisconsin.

The pattern of the committee's recommendation, he said, is that of the established agent, who is the backbone of the structure. After his situation is determined, then the problem can be tackled of the beginner and the one

whose physical powers are declining.

Mr. McConney said the proposal gives an even better income to the agent who writes good business; persistent business gives a better return than at present. For instance agent No. 1 with A persistency receives 13 percent more income the tenth year than agent No. 2 with B business writing the same volume.

Fluctuation in Income

The proposal smooths out fluctuation in income. For example, to an agent writing the same volume each year under the present plan, the first year commission represents 75 percent of income in his fifth year and 60 percent the tenth and subsequent years. Under the new proposal, the percentage the fifth year is 57; tenth, 47; 15th, 44; 20th, 42.

The problem of the new man is peculiar, he said. A beginner can't produce as much new business in his early stage as he can after he is trained; so, his first year commissions provide a low income the first year or two, compared to what he earns later.

A beginner who has to go into debt is under a severe mental strain at the time all his efforts should be concentrated on his new job. It is difficult to recruit desired men under those circumstances.

He suggested, as a basis for criticism, to pay the new man during his first year the first commission plus the commuted value of the renewals on the business he writes; then over the next two or three years have a sliding procedure in order to arrive at the established man's scale.

Mr. McConney concluded by saying that the well-trained agent will always make a good living in any fair and just system and the world is always willing to reward the trained and efficient.

COMPARISON GIVEN

Difference in Agents' Earnings Under Present Scheme and Under Proposed Plan Indicated

The committee on compensation of agents in Chicago distributed an exhibit, to indicate the difference in agents' earnings as between the present scheme of 50 percent first year commission and nine 5 percent renewals and the proposed scheme of 40 percent first year, 15 percent second year, 10 percent third year, seven 5's, and 2 percent thereafter. In the table the present plan is designated by 1, and the proposed plan by 2.

Year	Persistency A		Persistency B		Persistency C	
	1	2	1	2	1	2
1	\$ 1,500	\$ 1,200	\$ 1,500	\$ 1,200	\$ 1,500	\$ 1,200
2	1,630	1,600	1,620	1,560	1,600	1,510
3	1,760	1,850	1,720	1,770	1,690	1,680
4	1,880	1,970	1,820	1,860	1,760	1,760
5	1,990	2,080	1,900	1,950	1,820	1,820
6	2,100	2,190	1,980	2,020	1,880	1,870
7	2,200	2,290	2,050	2,090	1,930	1,920
8	2,300	2,390	2,120	2,160	1,970	1,960
9	2,400	2,490	2,180	2,220	2,010	2,000
10	2,490	2,580	2,240	2,280	2,040	2,040
15	2,490	2,740	2,240	2,380	2,040	2,090
20	2,490	2,880	2,240	2,450	2,040	2,130
25	2,490	2,990	2,240	2,500	2,040	2,150
30	2,490	3,070	2,240	2,530	2,040	2,160
Subtotal	\$70,050	\$78,100	\$63,930	\$67,910	\$59,000	\$60,200
Assuming 20 years of subsequent inactivity to illustrate contribution of new contract to pensions:						
31	\$ 990	\$ 1,880	\$ 740	\$ 1,340	\$ 540	\$ 970
35	490	1,040	330	610	220	350
39	90	660	60	340	40	170
40	...	570	...	280	...	140
45	...	420	...	190	...	90
50	...	290	...	120	...	50
Total	\$74,660	\$92,740	\$67,170	\$76,190	\$61,220	\$64,980

DISCUSSION PERIOD

During the course of the informal discussion of the proposed compensation program, following the four formal presentations, several interesting points were covered. The explanatory papers were so thorough that the members apparently got a full understanding of the various features and there was very little questioning to bring out details.

An important result of the discussion was the apparent desire of the members

that the life insurance lawyers undertake to devise a proposed amendment to the social security act that would make the old age and survivors benefit provisions applicable to ordinary life agents. That, it is pointed out, is a difficult assignment, because the amendment must be drawn in such a way as to extend the provisions to life insurance agents only, without making them applicable to other types of commission compensated salesmen. An amendment that would apply to all types of commission salesmen would draw strenuous opposition from other industries. Also the amendment must exempt life insurance agents from the unemployment compensation section of the social security act. There seems to be general agreement both in the home offices and field that agents should not come under the unemployment compensation provisions.

Transition Period

One question was whether there would not be resistance to the new program on the part of established agents because of the possible reduction of income during the first year of the transition. Mr. Zimmerman observed that it would be necessary to show the agent what he is getting in return.

One member voiced the opinion that the financing problem might be complicated under the proposed plan because of the fact that the renewals would not be vested after the third year.

Mr. Linton declared that the committee favors the vesting of commissions from the fourth through tenth year in the event of death of the agent, but it is impossible to calculate what effect that provision might have on the aggregate results.

Mr. Linton at one point said that the committee was faced with a fundamental issue in the question of reversion. The question was whether the reversions should be used to reward continuing agents or to pay new agents for handling orphaned business. The first principle was espoused.

Differences in Contracts

There was some discussion as to the effect of the proposed plan on companies not operating in New York state that have different agency contracts. The spokesmen for the committee emphasized that the principles of the plan are applicable to any situation. It was not intended that the facts of the examples that were gotten up should be applicable to all companies from Maine to California. The principles of the plan include a lower first year and higher second and third year renewals and a fee after the tenth year for better

Year	Persistency A		Persistency B		Persistency C	
	1	2	1	2	1	2
31	\$ 990	\$ 1,880	\$ 740	\$ 1,340	\$ 540	\$ 970
35	490	1,040	330	610	220	350
39	90	660	60	340	40	170
40	...	570	...	280	...	140
45	...	420	...	190	...	90
50	...	290	...	120	...	50
Total	\$74,660	\$92,740	\$67,170	\$76,190	\$61,220	\$64,980

agents, and a pension for those meeting certain requirements.

The committee was asked how it would define agents that would be entitled to the 2 percent service commission after the tenth year. Mr. Morrison expressed the opinion that this is an individual company problem but that certainly insurance in force would be the most important factor.

The question of whether a pension system on a contributory or non-contributory basis is preferable was touched upon but without conclusive comments.

The proposed plan is being submitted to the joint meeting of the Actuarial Society of America and the American Institute of Actuaries at White Sulphur Springs, W. Va., Friday. Mr. Linton and Mr. McConney went to White Sulphur Springs from the meeting in Chicago.

Linton Reports on Compensation Proposal

(CONTINUED FROM PAGE 1)

Linton said. However, changed conditions make it desirable to rearrange the situation so as to discover possible improvements.

Mr. Linton declared that much of the criticism of the agency side of the business has been general in character. The critics, he indicated, have aroused a spirit of dissatisfaction but have nothing of a specific nature to offer. That, however, is the first step in the correction of any maladjustment. The next step is to put forward concrete proposals and the business is now at that stage, he declared. Critics should now make specific proposals which can be subjected to careful analysis.

Any plan should enable the agent to earn an income at least as large as a person of equal ability would be able to earn in other lines. It should guarantee that business having a high degree of persistency yield a larger return than at present as compared with business of poor persistency; it should smooth out fluctuations in income; it should provide reasonable compensation to the agent for service rendered his policyholders during his active service in the business. It should create a margin to provide retirement income to agents who have made a reasonable contribution to the business over a minimum period of time.

Favors Commission Plan

The committee favors a commission plan of compensation because of its incentive creating qualities and its ability to keep compensation closely geared to performance.

Salaries, he declared underpay the better than average and overpay the one who is below average. The committee is not prepared to say whether part salary and part commission would meet the situation.

The committee desires to have its recommendation examined as critically as possible.

The committee believes that any new scale should not be enforced upon established agents. They should have the choice of the old or the new plans. The problem will not be solved unless a new plan will appeal to an established agent who is now doing a good job of writing high quality business. One of the tests for any proposed scale would be the proportion of the established agents who would be likely to choose the new plan.

Brokerage Business

Whether the proposed scale would be adaptable to brokerage business is a question, Mr. Linton declared. The committee centered its attention on the established full time agent. If a satisfactory revised scale could be developed for him, the next step would be to find a scale for special types of contracts.

Mr. Linton discussed the general question of vested renewals. He pointed out that a great deal is now being paid as renewal commissions on business produced by agents who either are no longer in the business or are connected with companies other than the one which issued the insurance. The question is whether it would be more advantageous if these renewals could be used to increase the compensation of agents who continue with their original companies. He suggested that it might be wise to take a middle ground between complete vesting and complete forfeiture. Any marked change in the method of applying non-vested renewals would require a study of the effect upon general agency operations where such renewals now revert to the general agent.

Mr. Linton also discussed the pension problem and social security. The question arises as to the wisdom and desirability of a pension plan available to

Springs, W. Va., Friday. Mr. Linton and Mr. McConney went to White Sulphur Springs from the meeting in Chicago.

Linton Reports on Compensation Proposal

(CONTINUED FROM PAGE 1)

agents who have been in the business for a certain minimum period and reached the minimum of level of achievement. Continuous fees throughout the premium paying of policies would in themselves provide a substantial income to the successful agent of long service. If the company is to make an additional contribution to a pension fund, then renewal commissions must be reduced unless present costs are to be increased. Also involved is the question of the accrued liabilities for past service to agents who are now middle aged or over. The current contributions in equal amounts on the usual scale by the agent and company would be insufficient to provide a proper pension for men of middle age or over.

Use of an Index

One solution on a non-contributory basis, he said, could be provided if the company should undertake to build the old age income to an agreed upon amount based upon an index, such as the average renewal income during a given period prior to a specified age, or the insurance in force at that age. For example, if the index should indicate an old age income of \$100 a month and if the agent's renewal commissions and fees after he had reached the given age should only be \$65, then the company would agree to provide an amount so that the agent's income would not fall below \$100. That suggestion, he said, is merely a basis for discussion.

The committee would like to find whether agents would prefer a contributory plan as against a non-contributory plan under which the company would use its funds available for pension purposes, pay pensions to those who have attained a certain age after achieving a certain standard of performance over a given minimum period of time.

The committee feels that nothing should be done which would bring commissioned agents under the unemployment compensation provisions of social security. However, the committee believes that it would be desirable for commissioned agents to be included in the old age and survivors insurance plan of the social security setup, assuming that it would be possible to do so

without bringing them into the unemployment compensation section.

It would be difficult to amend the law to bring that result without bringing under the scheme commissioned salesmen in other lines where strenuous objections would be raised.

Mr. Linton pointed out that the financing of the new man bears a close relationship to the compensation that the established agent will receive after his apprenticeship period has been completed and to his vested commission interests. The committee is not making any specific suggestions as to changes in the method of compensating new men. Companies should experiment where they feel it desirable to do so with salaries and other forms of compensation. The committee hopes that a satisfactory way of financing the new man may be found better than hit or miss advances. However, the plan of advances to new men would be continued and it is even possible in some more standardized form it will still prove to be a satisfactory plan if linked with an improved commission scale and if effective methods of selection, training and supervision are employed.

C. J. ZIMMERMAN

C. J. Zimmerman, Connecticut Mutual, Chicago, immediate past president of the National Association of Life Underwriters, was the fourth and final member of the committee on compensation to give a presentation.

The proposed plan, according to Mr. Zimmerman, goes a long way toward eliminating certain criticisms of the present arrangement, including the charge that not enough value is placed on quality business; that income is too irregular; that the agent is not equitably compensated for the services rendered; and that the earnings of the average agent reach a peak at about the twelfth or fifteenth year and he cannot look forward to increased earnings from that time on.

Problem of New Man

The new plan, however, does not endeavor to solve the problem of compensation for the new man. It goes part of the way in solving the problem of retirement, he said. The proposed plan, he observed, places less emphasis on quantity production through a reduction of the first year commission. It places greater emphasis on conservation, particularly during the second and third years when lapses are highest. It compensates adequately for service not only

up to the tenth year, but thereafter.

The revised scale, he declared, aggravates the problem of the new agent. This is a problem that needs much thought and study. There must be a solution if the type of men are inducted into the business that the public demands.

Some further study must be given to the matter of retirement plans, he declared. He expressed the opinion that the field forces overwhelmingly endorse some contributory retirement plan. The field force, according to Mr. Zimmerman, is opposed to salary plans or part salary and part commission for the established agents. There may be less unanimity in the acceptance of the principle that no commission shall be vested after the third year. This, however, is a basic principle which he predicted the field forces will accept once they have adequately considered it. This non-vesting is essential if certain other more important benefits and improvements are to be made. There should be some adequate provision for vesting beyond the third year in the event of death or disability of the agent.

Social Security Question

There is some division of opinion in regard to whether agents should be included under the social security act. The field forces are unanimous in their belief that they should not be included under the unemployment compensation act. If it is impossible to have a company retirement plan that would be at least equal to the old age and survivor benefits of the social security act, then, he said, an overwhelmingly majority of the field forces would prefer a combination of social security supplemented by a company plan.

Mr. Zimmerman declared that there is a growing feeling of cynicism on the part of many agents that satisfactory results cannot be obtained unless force is brought to bear. Mr. Zimmerman made it clear that he does not hold to that belief. "However," he said, "unless you, too, recognize the fact that the field forces expect you to devote your time and thought to this problem and to its solution at the very earliest moment, then you shall expose yourself to the danger of having pressure brought upon you by outside agencies which may not have the best interest of the public and of the institution at heart, but which rather may capitalize on making promises and appeals directed to the more selfish side of human nature."

To Show Institute Film

Elias Klein, manager of the Bookstaver agency of the Travelers in New York City, has arranged a showing of the Institute of Life Insurance film, "American Portrait," for the agency meeting Nov. 7 at the Governor Clinton hotel. The institute's first picture, "Yours Truly, Ed Graham," was shown at the agency's October meeting. H. J. Hannigan, Northwestern Mutual, will be the guest speaker. He is public relations vice-president of the New York Life Underwriters Association. Agents and brokers in the New York area who have not yet seen "American Portrait" will be welcome at the showing.

Agency Adds Life Department

Starkweather & Shepley, Inc., Chicago, operating in Illinois since 1911, have added a life department and are now equipped to handle the life end of the business. S. B. Fleager will be in charge of the new department. A large number of pension plans are under discussion. L. D. Stitt is the resident manager.

Security Mutual Advances Clark

George Clark of Newark, in charge of the life department of the Ford Agency of the Security Mutual Life of Binghamton, N. Y., has been advanced to assistant superintendent of agencies of the company. He will make his headquarters in the Beatty agency in New York City.

New Chairmen of Sister Groups



W. S. PENNY



F. H. HAVILAND

W. S. Penny, director of agencies of Sun Life of Canada, is the new chairman of the board of directors of the Sales Research Bureau, and F. H. Haviland, vice-president of Connecticut General Life, is now chairman of the board of the Life Agency Officers Association.

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Research Bureau, Agency Officers Hold Annual Parley

(CONTINUED FROM PAGE 1)

Haviland spoke with great earnestness and the group was obviously moved.

Another talk that made a lasting impression was that of J. G. Parker, general manager and actuary of Imperial Life of Canada. He sketched in most able manner how the life insurance business in Canada has met the war problems in the past year. He showed how the business had surmounted a series of obstacles and how it had not been daunted by what appeared at the moment to be solid walls.

New directors of the Life Agency Officers are: S. T. Whatley, vice-president Aetna Life; H. B. Wicks, assistant general manager Montreal Life, and Burke Baker, president Seaboard Life.

The directors of the A. L. A. O. gathered Wednesday noon and elected as the new chairman F. H. Haviland, vice-president of Connecticut General Life, and as vice-chairman, John H. Evans, vice-president of Ohio National Life.

New directors of the Research Bureau are: Henry A. H. Baker, Great-West Life; George H. Chace, Prudential; Chester O. Fischer, Massachusetts Mutual; Dudley Owens, Lamar Life, and Jack T. Lynn, General American Life.

The directors of the Research Bureau held a luncheon session Wednesday and elected as chairman of the board W. S. Penny, director of agencies Sun Life of Canada, and as vice-chairman George A. Patton, superintendent of agents of Mutual Life.

The directors named Vincent B. Coffin, vice-president of Connecticut Mutual, as chairman of the executive committee, and as additional members of that committee: R. E. Irish, president Union Mutual Life of Maine; Chester O. Fischer, Massachusetts Mutual; Mr. Penny, and Ford D. Albritton, Great Southern Life.

The fellowship aspects of the convention were of the highest order. The members got together at the opening luncheon in the Marine Dining Room of the Edgewater Beach Hotel Monday and that evening they were guests of President W. M. Dewey of the hotel at a reception and cocktail party. Tuesday evening there was a dinner for companies of \$125,000,000 and less of insurance in force with R. E. Irish, president Union Mutual Life of Maine, presiding. Then later that evening there was a showing of the motion picture "The Ramparts We Watch" by the editors of "Time" and "Life."

OPENING SESSION

The meeting got under way at an extremely colorful luncheon session in the famed Marine dining room of the Edgewater Beach Hotel, that was decorated in Hallowe'en fashion. Vice-president Vincent B. Coffin of Connecticut Mutual Life presided. J. G. Parker of Imperial Life of Canada proposed a toast to the President of the United States, whereafter the group joined in singing "God Save the King," ending with a toast. Then the group sang, somewhat uncertainly "The Maple Leaf." A. L. Dern, vice-president of Lincoln National Life, was given special recognition because he was attending the twenty-third consecutive meeting of the Agency Officers.

The speaker was A. W. Atwood, publicist and lecturer of Washington, D. C. He gave the results of an inquiry he had conducted among 30 of his friends as to their attitude on certain phases of the life insurance business. Although he was quoting the opinion of others, Mr. Atwood seemed to indicate that he believes the life insurance forces should make their influence felt in national issues involving fiscal and other policies that have a bearing on the welfare of policyholders.

The conventioners moved into another room for the afternoon session Monday. Mr. Coffin presided again.

Paul F. Clark, vice-president of John Hancock Mutual Life, was the first speaker. He covered a wide variety of subjects and brought home a number of telling points.

Harry Wright Speaks

The next speaker was Harry T. Wright, Equitable Society, Chicago, president of the National Association of Life Underwriters. During his administration, he declared, emphasis will be placed upon the problems of the man in the field. Sales resistance is greater than it should be to the agent. The objective, therefore, is to elevate the prestige of the agent. Immediate cancellation of contracts of unfit and unproductive agents should be the first step, he contended. The business of such agents is less than the business they prevent good men from writing.

J. G. Parker, general manager of Imperial Life of Canada, gave an address of exceptional interest on the effect of war upon the insurance business in Canada. A series of problems has arisen, but each time the leaders rose to the occasion and the shock was overcome. Intelligent and heroic steps have been taken.

Election of New Directors

Grant L. Hill, Northwestern Mutual Life, reported as chairman of the nominating committee, giving a slate of five for new directors of the Research Bureau.

Mr. Coffin thereupon gave the report of the bureau year in his capacity of chairman of the board of directors. He approached his task in the utmost candor, taking up typical objections that are occasionally heard of the bureau work and setup, conceding the validity of certain criticisms and replying to others.

At the outset he remarked that the agent and his job are worth fighting for and the research bureau is one weapon in the fight. The bureau, he went on, is worth fighting for.

Mr. Coffin recalled that during the year there have been some severe criticisms of agency management from within the business. He referred, for example, to the famous speech made before the Boston C.L.U. chapter by S. D. Weissman, Equitable Society, Boston, in which Weissman charged that management in its agency work has been sterile and devoid of imagination. Research according to Mr. Coffin, is at least partially the answer to these situations.

Morale Never Higher

The morale of the bureau organization, he said, has never been higher. Members should regard the bureau staff as additional employees for the agency department, giving service that can't be duplicated.

As the first objection which is occasionally encountered Mr. Coffin mentioned "The dues are too high." In reply he recalled that the dues for 1941 have been cut 25 percent. Economies have been instituted largely as a result of studies conducted by Elizabeth Stevens, office manager. The personnel now numbers 35 as compared with 47 a year and a half ago. The monthly sales surveys are to be put out in less elaborate form. More work is being handled by committee personnel. In 1936 the dues were \$80,000. Then there was introduced the new program of research and in 1937 the dues were increased to \$140,000. Under the new scheme the dues for 1941 will produce \$105,000. This may be increased by the addition of new members. There are 40 to 50 eligible companies, he said. Then there may be revenue from merchandising some products.

Another objection that he mentioned as occasionally being voiced is of the salary scale. Mr. Coffin reported that J. M. Holcombe, Jr., general manager,

and Miss Stevens, on their own initiative, proposed that their salaries be lowered.

To the criticism sometimes heard that the personnel of the bureau is "weak," Mr. Coffin entered a stout denial. The answer is for the members to get better acquainted with the personnel.

Nominating Procedure

To those who complain that the nominations for bureau office are cut and dried, Mr. Coffin replied that the nominating committee acts with complete independence.

Some, he said, are heard to say that the bureau works in secrecy. Mr. Coffin had each director and member of the executive committee of the bureau stand, saying that these men are always ready to explain what is taking place at the bureau.

At times, some members say the bureau doesn't perform enough research. Mr. Coffin said he desired merely to remind the listeners of the aptitude index and the study on morale of the bureau. He did admit that the program of enlarged research that was undertaken in 1937 has been somewhat disappointing and that Mr. Holcombe personally is disappointed. However, a new start is being made.

Then there is the objection from one member that there is too much emphasis on this and from another that such a feature is overemphasized. Mr. Coffin remarked that not all of the activities will be equally as interesting to all members. By and large the larger companies are more interested in pure research than in the service feature, while with the smaller companies the reverse is true. Mr. Coffin said that he at one time felt that the bureau schools were unwarranted, but it was pointed out to him that these schools are self-supporting and that the bureau staff at these schools has an unequalled opportunity to get first hand impressions of field conditions. Mr. Coffin said he was converted.

In conclusion, Mr. Coffin voiced the hope that some day there will be a spontaneous demand from the membership that the dues will be increased.

Monday evening the group gathered in most congenial surroundings at a cocktail party and reception as guests of W. M. Dewey, president of the Edgewater Beach Hotel.

TUESDAY MORNING

At the Tuesday morning session, the presiding officer was H. T. Burnett, vice-president of Reliance Life, in his capacity of chairman of the executive committee. The first speaker was George E. Lackey, general agent for Massachusetts Mutual in Detroit. He is always a gracious and easy speaker. From the motor city he brought an analysis of some of the factors that have made the motor industry so successful and he contended that some of the principles and methods in automobile merchandising can and should be applied to life insurance.

New Study by A. K. Kurtz

One interesting recommendation was that insurance executives mingle to a greater extent with men in lines other than insurance. He suggested for instance that when on agency trips in Chicago, Detroit or elsewhere, executives seek out leaders in other industries, discover their ideas and reactions toward insurance. Insurance executives, he said, are able to elicit freer expressions from outsiders than are producers, because they are not pressing for an immediate sale. Associations of this kind would create prestige for the institution and for the men in the field. Mr. Lackey feels that insurance executives are too prone to associate with one another in

social and other activities after business hours.

A. K. Kurtz of the Research Bureau, the next speaker, gave a glimpse of a study now being made to determine the characteristics of successful general agents. Mr. Kurtz was the man in charge of the work incidental to developing the aptitude index. Tentative findings in the new study are that ace managers have leadership qualities; they are of nervous temperament, and have a sense of humor.

F. H. Haviland, vice-president of Connecticut General Life, spoke with impressive conviction on "Progress in Selection of Agents." The audience was obviously moved by his announcement that Connecticut General effective Jan. 1 will cancel the contracts of agents in cities of 50,000 and more, who have been with Connecticut General three years, and who during this past year have not produced at least \$3,000 in premiums. He predicted that within five years, the sales force of Connecticut General will be of exceptional character. The move eventually, Connecticut General believes, will produce more business and better business. "But whether it does or not, it is right for the industry," he declared, and that assertion drew hearty applause.

Mr. Haviland at one point said he is disappointed at the reduction in Research Bureau dues. His company wants more research and statistics. They would like to have an inquiry to determine why 10,000 persons dropped their life insurance even if it costs \$50,000.

The morning session ended on a high note in the form of an earnest address by Holgar J. Johnson, president of the Institute of Life Insurance.

The afternoon session Tuesday opened with a report by D. G. Mix, State Mutual Life, as chairman of the committee on persistent business.

Then came the period of capital interest of the convention—the report of the committee on compensation. The attendance was the largest of any time of the convention and the members followed the proceedings intently. Four speakers presented various aspects of the report: M. A. Linton, president of Provident Mutual Life, chairman of the committee; L. S. Morrison, of the Research Bureau; E. M. McConney, vice-president of Bankers Life of Iowa, and C. J. Zimmerman, Connecticut Mutual, Chicago, past president National Association of Life Underwriters, they being members of the committee.

Concluding Session Wednesday

John A. Stevenson, president of Penn Mutual Life, was the presiding officer at the concluding session Wednesday morning, substituting for A. E. Patterson, Penn Mutual vice-president, who is on a South American cruise. Mr. Stevenson also delivered the first address of the day, "The Captain on the Bridge." He commented on a number of points made by previous speakers and he was especially forceful in his remarks on selection of agents and the proposed revision in agents' compensation.

Mr. Stevenson explained that reports of four important committees had been received by the directors Sunday evening and hence they would not be presented at the general meeting. They were made available in mimeographed form. He asked the three committee chairmen who were present to rise and receive recognition, they being D. Gordon Hunter, Phoenix Mutual, agency practice; C. J. North, Metropolitan, training, and Grant L. Hill, Northwestern Mutual, relations with universities. Frank L. Jones, Equitable Society, chairman of the committee on replacements, was unable to attend on account of illness.

George H. Chace of Prudential reported for the nominating committee, bringing in a slate of three new directors.

B. N. Woodson of the Research Bureau presided at the main feature of the session—the forum on training and re-training. The speakers were V. L.

Bushnell, Equitable Society; George Dunbar, Mutual of Canada; J. A. Giffin, Phoenix Mutual; F. L. Merritt, Monarch Life, and W. K. Wise, Provident Mutual.

The curtain went down with a ringing message from John Marshall Holcombe, Jr., manager of the Research Bureau.

J. A. STEVENSON

President J. A. Stevenson, Penn Mutual Life, said in his talk Wednesday that certainly no person could fail to realize the importance to the life insurance business of sound sales methods and high-grade agency personnel for, like the manufacturers of tangible products, all realize clearly today that no matter how good a product a company has, no matter how farsighted the executive management, no matter how comprehensive and attractive the advertising program, the salesmen are the lifeblood of the business.

"Therefore, if there are sources of infection," he added, "in the form of practices which the x-ray shows should be removed; if there are an undue number of white corpuscles in the lifeblood of our business, in the form of incompetent agents; if the lifeblood doesn't receive the type of nourishment it needs—in the form of adequate educational equipment; if any of these defects continue, there can't be any question about their effect on our business health."

Selection, Training and Supervision

"Both in the public interest and because of the effect on our business health, the problems connected with the selection, training, and supervision of our salesmen are being given careful study today. Life companies realize that they can not be too optimistic about any substantial increase in the near future in the rate of income obtainable on their investments. They realize, too, that they can not depend on an indefinite continuance of the excellent health conditions of the past few years, with their resulting favorable effect on mortality rates. Consequently, when we consider the chief factors which govern the cost of life insurance—interest, mortality and expense savings—it's natural that we should turn the spotlight on agency practices in the hope that decreasing expenses from increasing emphasis on sound sales policies and improvement in the quality of our business resulting from the maintenance of high standards among agency personnel, will have their effect in reducing life insurance costs."

What America Has Done

"Ordinarily, when comparing the record of American life insurance with that of other countries, we say that with about 7 percent of the world's population, we have around 70 percent of the world's life insurance. We are entitled to feel proud of these percentages. But when we review the fact that 1,735 candidates took the 1940 C.L.U. examinations, as compared with 66 when the examinations were first given in 1928; or when we look at plans such as that recently set up to make available teachers who are equipped to present the important subject of insurance in our colleges and universities; or when we consider splendid plans such as the cooperative advertising of our Canadian neighbors; when, as I say, we review the forward steps which the companies in this country and Canada have taken, we find their counterparts in no country in the world. These steps reflect American life insurance progress as definitely as the impressive percentages showing the life insurance in force. They stand as tributes not only to American life insurance but to the American way, which functions by means of self-government, rather than according to blue prints designed by the state."

Warning Issued in Columbus

The Columbus, O., Better Business Bureau has warned that representatives of a collection agency in that city have been obtaining information through

Finds Progress in Anti-Twisting War

That good progress is being made in the nationwide attempt to obliterate the practice of twisting is indicated in the report of Frank L. Jones, vice-president of Equitable Society, as chairman of the committee on replacements at the meeting of the Agency Officers-Research



FRANK L. JONES

Bureau in Chicago. Mr. Jones cited insurance bulletin in No. 51 of the U. S. Chamber of Commerce, "Should You Change Your Old Life Insurance for New?" This report is interesting and helpful, he said. Mr. Jones submitted the report in writing. He was unable to attend, being ill.

Mr. Jones quoted President O. J. Arnold of Northwestern National Life as stating that in a study of 1,000 lapsed policies, only nine were indicated to be involved in replacements. From observations by members, it is obvious that there is a reduction in the number of cases and volume that are traceable to twisting or other kinds of replacement.

Mr. Jones gave some figures based upon reports of signatory companies for the first eight months of 1938. Under the heading "Opportunity offered other companies" there were 1,808 cases for \$14,669,891. Under the heading "Opportunities received from other companies," there were 1,994 cases of which 779.7 were conserved for \$7,673,832 and 1,111.3 cases lost for \$9,623,780.

falsely posing as agents for the Federal Industrial Insurance Company, and claiming to have insurance checks for those who supply information, which could not be obtained in any other way. No such company is licensed in Ohio.

More Years for the Asking

D. Appleton-Century Company, 35 West 32nd street, New York City, has issued a book, "More Years for the Asking" by Dr. P. J. Steinrohn, costing \$2. A philosophy of health is outlined in this volume based on the fact that disease at or near its inception often may be controlled and eradicated but when neglected and given time to become destructive, even modern medicine is helpless. There are 22 short and incisive chapters. Dr. Steinrohn discusses the problems of the ideal patient, physician relationship, disease prevention.

Cecil Woods, president of the Volunteer State Life and an alumnus of Sewanee, is chairman of the Sewanee committee for the annual football classic to be staged by Washington & Lee and University of the South in Chattanooga Nov. 16. E. E. Brown, general agent Penn Mutual Life, an alumnus of W. & L., is chairman of the Washington & Lee committee.

Any Day Now Might Be Thanksgiving

Get your turkey and start fattening him . . . and be ready.

And don't forget to give solemn thanks that you're an American, living in a nation blessed with peace, and willing to fight only to preserve peace and freedom.

Give thanks, too, because there is still room for individual initiative, and because there is such a thing as Life Insurance which makes it possible for men to use their initiative in planning their own futures, and permit them to build certainty into their plans.

The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board
HOME OFFICE NASHVILLE TENNESSEE
C. R. CLEMENTS, President
NATIONAL BLDG.



Forum on Training and Retraining Is Lively Feature

(CONTINUED FROM PAGE 2)

ment" at the training and retraining forum. He commented on the new publications of the bureau, one entitled "Morale Building Starts at the Top" written exclusively for home office executives and "Morale and Agency Management" in four volumes intended primarily for general agents. He said officers and directors should become aware of the high cost of poor morale among their field forces. The morale of each person and each agency should be measured regularly, he said, and the success of each manager or supervisor

date of birth, etc., and handing the cards to his general agent for filing and for checkup at the end of the month.

At the end of the month the agent reviews the cards with his general agent or supervisor. The deferred prospects are brought forward and added to the list of new prospects in the month when the agent shall call on them. Interviews with deferred prospects are added to the month's quota, never substituted for it. The agent sends a preapproach direct mail letter to the deferred prospect, reminding him of the day of the recall visit.

This process, according to Mr. Wise, builds up a sizable working schedule over the year. These procedures, he said, are reasonable and natural.

Diagnosing Weaknesses

It is vital that those listed be "prestige prospects." If this plan is systematically followed it gives the general agent an opportunity to put his finger on the weaknesses of each man. If an agent fails to submit his 10 names each month, the general agent knows that the agent either cannot prospect at all or that he has not built sufficient prestige to enable him to get favorable interviews. If an agent's percentage of sales is small, it is apparent that either prestige is lacking or that there is weakness in the sales process or close. If a man continues to submit 10 names a month, has good interviews but fails to sell, then his weakness is in some part of the interview.

The plan is an attempt to perform the obvious and to put into effect those things which "we have always known we should do, but never seemed to be able to systematize."

FRANCIS L. MERRITT

Monarch Life believes that good training is the thorough drilling of selected men in the basic technique of selling by sales leaders who are qualified in knowledge, experience, teaching powers; in an environment conducive to study, with plenty of time in which to do the job. This message was conveyed by Vice-president Francis L. Merritt of Monarch Life in the forum on training and retraining.

The central problem of companies and branch managers is to train the salesman so that he sees something clearly and tells it plainly, he declared. A salesman must be able to meet many situations and select instantly the right answer if he wants to interview high grade prospects, with buying ability, who value their time, are alert and have developed ways and means of putting up real resistance. Good morale depends on good training, he said. Often the salesman's morale is lost because he does not know how to express himself effectively and because by the time he has discovered ways of doing this, his financial situation is so bad and his courage so low that there is no morale left.

Monarch Life, in preparing and applying its training process, went into the field with effective salesmen, observing at first hand the most common situations that were met in the interviews, and the selling procedures that they instinctively used. This was done on the theory that the best in sales technique originates from what is actually said in the interviews.

The whole range from prospecting to closing, including the matter of the application, getting the money, delivery of the policy, were included in the study.

Each situation and response was reduced to its smallest acceptable form and the results were edited so as to introduce strong, courteous, positive phraseology. By reducing each unit to its lowest possible minimum, room was left for the salesman to add his own colorful thoughts without running into a long discourse.

Then the company commenced teach-

ing the organized material to the salesmen in small regional groups of from five to eight men. The home office cooperated with the branch managers in this. The schools ordinarily last one week. Emphasis is on training men who have been with the company for some time and who have demonstrated their value.

GEORGE DUNBAR

George Dunbar, assistant superintendent of agents of Mutual Life of Canada, gave a paper on "Improving Work Habits" at the forum on training and retraining. His company has sought to improve the work habits of agents. Managers are expected to keep close records of agency performance and send monthly reports to the home office. Forms of keeping records are supplied to agents. The home office and managers continually seek to convert agents to the use of these forms. The point is made to the agent that records for the sake of records alone are worthless, but that the system devised by the company is intended to provide a basis for intelligent criticism of an agent's work by the manager. Apparent weaknesses can be remedied. The company insists that the managers analyze records and continually stress the value of the plan to the men, by setting a monthly report.

Each three months the company publishes the average calls, interviews, etc., of the group and lists the results of the 10 leading agents. This provides an excellent basis for comparison of results. The dollar value of calls and interviews can be shown. In Mutual Life, the dollar value of calls has increased from 52 cents to \$1.03, preliminary interviews from \$1.58 to \$3.38, sales from \$21.34 to \$28.90, closing interviews from \$2.82 to \$4.60.

About 40 percent of the full time agents are using the plan. It has been available three years.

USE TWO-YEAR PLAN

Successful sales management largely depends on sales technique, work habits and prospecting, V. L. Bushnell, second vice-president Equitable Society, pointed out in outlining his company's plan.

In formulating a training program it is necessary to consider external conditions that might influence the market and selling methods. Life insurance is now playing a much more important part in the field of financial management since it represents today practically the only source that can assure the fulfillment of economic objectives in life.

Uncertain business and investment conditions indicate the necessity for a more extensive and advanced training of all agents in order that they can more effectively apply the safeguard principles offered in the accumulative, conservation and distribution processes of life insurance funds. Furthermore, the agent is confronted today with a better informed buyer who makes more extensive use of life insurance coverage as a part of his entire estate building program and, hence, demands a better quality of service and a greater variety of coverage than ever before. As a result, many old agents are actually forced from the business because of their unwillingness or inability to adapt themselves to this trend.

Two Year Plan

The Equitable now believes that it requires a minimum period of two years to develop a new man to be a fairly competent underwriter. In its three-step program the Equitable has a primary training period in fundamentals, an intermediate training period which starts at the conclusion of the sixth or eighth month and includes instruction in simplified estate planning, various phases of group insurance coverage, sal-

Sees Roosevelt as Imbued with Idea of New "System"

President Roosevelt, speaking before the Teamsters Union in Philadelphia, made a statement which, despite its implications, has been generally overlooked by the life insurance fraternity, L. M. Buckley, past president Chicago Association of Life Underwriters, declared this week.

"After stating his hopes for an extended and expanded program of social security laws," Mr. Buckley said, the President commented, "And I look forward to a system coupled with that, a system which in addition to this bare minimum, will enable those who have faithfully toiled in any occupation to build up additional security for their old age which will allow them to live in comfort and in happiness."

"In this connection," Mr. Buckley went on, "there was not a single word even of reference to the system of private life insurance which has successfully existed for over 100 years and has built over 120 billions of additional security for 64 million American citizens.

Finds No Other Interpretation

"What system, coupled with an increased social security program, does the President contemplate? Apparently the President believes that some new system must be established. Since we already have a system of private insurance, the existence of which was entirely ignored by the President in his remarks, there can be no other interpretation of the President's reference except that some new system be established."

"Such a new system could compete successfully with life insurance as it exists today, only if subsidized to a considerable extent."

"Such a system, with greatly subsidized rate, would present a serious threat to the livelihood of every life underwriter, but particularly to the average underwriter, whose business comes from the low and medium income group. This is a challenge which cannot be ignored."

ary savings and home purchase loan plans. The advanced training period starts at the conclusion of the 12th or 16th month and represents the final schooling of an agent for advanced training in complete estate planning services, business insurance and tax insurance.

Joint Sales Work

Coaching and joint sales work are effective, according to Mr. Bushnell. Instruction in proper prospecting methods and the development of efficient work habits are essential.

As a result of its extensive training program, the Equitable is now recruiting a higher caliber of men with more assurance that a new agent will stay and succeed in the business. Old agents are being rehabilitated and a natural and logical process for the elimination of unfit agents is provided. The average sale and average size policy has been increased. For example, the average size sale under the Equitable assured estates plan is now between \$8,000 and \$9,000 while the average size sale under the extended income plan is approximately \$3,500.

Called to the Colors

Elvin J. Gilman, who is associated with the accident and health claim department of Union Mutual Life of Portland, Me., has been called to training duty as a member of the naval reserve.

Gordon Nichols, Jr., of the auditing section of the life department of the Provident Life & Accident, has volunteered for service in the United States army air corps.

He is succeeded by W. H. Norman, who has been cashier in a North Carolina agency.



JAMES A. GIFFIN

should be judged in part by the morale of all those under him. The new publications of the bureau contain methods for measuring agency morale. A ballot system has been devised.

For managers and supervisors should be selected men whose attitude toward others makes them suitable for training in the principles and methods of morale building. Continuous training and morale building should be given to all those in any way responsible for directing the activity of others in the company.

WILLARD K. WISE

In a paper "Improving Prospecting" given during the forum on training and retraining, Vice-president Willard K. Wise of Provident Mutual Life described his company's "Ten-a-Month" program. It provides for the agent writing each month the names of 10 "grade A prestige prospects" on cards, giving name, address, phone number,



WILLARD K. WISE

"It's a Winner!"

No wonder PROVIDENT
Life FIELDMEN say this
about



And up-with-the-times program
which provides
the benefits of

NON-CAN-
DISABILITY} plus {LIFE
INSURANCE

written in a single plan!

An illustration of the NON-CANCELABLE policy provisions:

1. \$200 a month when disabled from injuries (from first day for as long as two years for any one accident).
2. \$200 a month when disabled from sickness (from 15th day for as long as one year from any one sickness).
3. \$150 a month for hospital care (up to 90 days. Medical Reimbursement may be added).
4. \$40,000 for loss of life from an accident.
5. \$20,000 for death from natural causes.
6. \$200 a month at age 65 Retirement Income, or \$29,000 cash.
7. PLUS waiver of premium on entire program in accordance with policy provisions.

[Smaller amounts of each feature available. Also two attractive plans are included in the COMPLETE PROTECTION program.]

SAM E. MILES, Agency Manager
Life Department

PROVIDENT LIFE AND ACCIDENT
INSURANCE COMPANY

Chattanooga - Since 1887 Tennessee

More than a half-century's experience in Personal Protection built into this COMPLETE PROTECTION Program.

Life . . . Accident . . . Sickness . . . Hospital . . . Group

III. Republican Candidate Promises State Regulation

(CONTINUED FROM PAGE 6)

trol over insurance companies' assets. One of the most vital needs in Illinois today is that all of the citizens be protected not only from the federal government but from the plunderbund of the Kelly-Nash machine, from the greed and coercion of politicians. The machine has no regard for the funds the people have set up for their protection."

Illinois "Take" \$1,000,000 Year

He charged the "plunderbund" in Illinois is garnering \$1,000,000 annually through this enforced insurance business which flows from the contractor, supply houses and others, afraid to offend the people in power. Mr. Green also challenged his opponent, H. B. Hershey, Democratic nominee, to explain why in recent years there has been no rehabilitation of insurance companies in Illinois that got into difficulty although the insurance law provides for and encourages this method of helping companies to get on their feet and policyholders to recover their funds. He cited the National Life of U. S. A. failure of 1933 when the company, he said, had about \$250,000,000 in force and \$55,000,000 assets and now has less than half that amount in force and about half of its original amount of assets. Mr. Green said Democratic politicians received "enormous" fees in the National Life of U. S. A. liquidation during a period when Hershey acted either as receiver or in charge of the liquidation bureau.

Floreen, Clarkson Officiate

W. J. Floreen, Rollins-Burdick-Hunter Company, chairman insurance division Republican state central committee, presided, saying that things going on in Washington to put insurance men out of the business are beyond all comprehension. John L. Clarkson, Bartholomay-Clarkson-Darling Company, chairman Republican insurance committee, introduced Mr. Green, saying the committee had the absolute conviction of his complete integrity. Many leading insurance men were present including Charles Burras, president Joyce & Co.; George Blossom, Jr., of Fred S. James & Co.; Walter Sheldon of W. A. Alexander & Co., treasurer of the committee; L. P. Warren, Associated Agencies, the secretary; Gale Reed, broker, vice-chairman in charge of publicity, and A. S. Keys, Springfield, vice-chairman in charge of downstate organization. A number of the state Republican candidates and members of the state central committee attended.

Evans and Hunt Talk to
Los Angeles C. L. U. Chapter

LOS ANGELES—Percy H. Evans, vice-president and actuary Northwestern Mutual Life, and George L. Hunt, vice-president and manager of agencies New England Mutual Life, spoke to the Los Angeles C. L. U. chapter.

The distribution of the surplus into dividends has been and still is a headache, Mr. Evans pointed out. This is due in part to the lower interest earnings and to the decrease in security and property values as a result of the depression. The earning capacity of the companies has decreased from \$10.75 per \$1,000 of insurance to \$7.80 in the past 10 years.

Difficult to Predict Future

No one can make an intelligent estimate of what the future will hold, Mr. Evans said. The political attack on industry, the distrust of our monetary policy and government's effort to reduce the cost of servicing government obligations must be taken into consideration. Insurance must select its business carefully, the companies must be operated economically and there must be an efficient agency force. Insurance must be prepared to justify the American agency system by showing that the new

Striking Questions
Arouse Interest
in Tax Approach

"Do you want to leave your estate to your children or to the U. S. government?" is a sure fire interest-arouser for substantial prospects, according to Sis Hoffman, Union Central, Cincinnati, who gave some of her ideas at the women's session of the recent National Association of Life Underwriters convention.

"Possibly an expert would refer to tables, calculate gift taxes and the effect of income taxes on the spot," she said. "Possibly the answer would be a good solution but I'm no expert and fortunately neither is my prospect. Before I can really become enthusiastic over an insurance problem I must reduce it to its simplest terms. I'm acquainted with the language of estates and insurance but until that language is boiled down to his level I'm sure that I can't expect any prospect to understand it."

"So I challenge his curiosity with a question—give him enough of a general explanation to show I know what I'm talking about and give myself an invitation to call again to show him how the solution suggested solves his problem."

"Once I have the elements of the problem I can't get it off my mind until I have solved it. I think of it in the shower, as I am falling asleep, as I drive to the office. It obsesses me. I discuss it, argue about it, analyze it with my manager, with our technical people. I reduce it to simple terms. And then I reduce it to still simpler terms. When my recommendation is reduced to writing my 12-year-old niece could probably understand it."

"The client is interested in just three things: What a plan will do for his family when he dies; what it will do for him if he lives; and what effect it will have on his estate."

"Fortified by my simple facts, I lay the plan before him, obviously custom-built to fit his particular situation. I review the problem, I outline the solution. My ready-made answers to his objections must seem brilliant, given, as they seem to be, on the spur of the moment. If he gets the idea I try to get him to act. If necessary I use all the pressure I can. And why not? This man has shown me that he has a problem that ought to worry somebody. It has been sufficiently acute to keep me worrying for several days and I feel that it's up to him to do his own worrying. If his problem is bad enough to make me worry for him then I feel it's my job to make him worry about it. If I can't worry about it, then I might as well forget the case for it's not a good case."

business put on the books of the companies must be worth to the policyholder what it costs to put it on the books. It must be shown that the cost is offset by the value of the business. An agency system properly operated pays for itself and doesn't cost the policyholder one cent, he declared.

Unselfish service has just as strong a hold on the policyholder today as it had in days gone by, Mr. Hunt declared. Unselfish service rendered to the smallest policyholder in equal measure to that given the largest is sure to fix the agent in the mind of the policyholder as "his life insurance man."

A. E. Patterson on Cruise

A. E. Patterson, vice-president of Penn Mutual Life, is in the midst of a month's South American cruise. He was scheduled this week to be heading northward from Buenos Aires. He was unable, therefore, to participate in the Agency Officers-Research Bureau meeting this week. He was scheduled to preside Wednesday morning in his capacity of chairman of the board of the Agency Officers.

Joint Actuarial Conclave Discusses Timely Subjects

(CONTINUED FROM PAGE 3)

ages under 60, the mortality curve rises more sharply and at the older ages reaches practically the level of the American Experience table. The company must therefore in the early years of light mortality set aside practically the same aggregate reserves as before in order to meet the inevitably high mortality at the older ages.

Price Based on Modern Data

5. Although the reserves are still based on the American Experience table, the mortality element in the price of insurance is determined by modern experience.

6. Sometimes the actuary compiles a mortality table from actual past experience but at other times he must assume a rate for the future. In the first case he simply tabulates what has already happened but in the second he must use his best judgment as to what will happen.

7. The price of life insurance cannot be moved up or down from month to month like the price of gasoline. In the long run, the price must be determined by the actual experience of the particular company.

8. In life insurance the price is found by combining the mortality and expense rates with interest earnings. On the investment side the policyholder is in fact credited with the interest rate assumed in the premium or reserve and with any excess interest allowed in the dividend.

Elucidation Would Have Helped

"If these facts had been fully set forth at the outset, there would have been less misunderstanding and there would today be a better perspective on the way life insurance fits into the general economic set-up," Mr. Laird said.

Mr. Laird pointed out that the SEC made use of personal memoranda from insurance company files without giving their true or full significance. He said also that the SEC assembled considerable actuarial information but presented it without actuarial interpretation, thus often giving misleading emphasis to certain facts and figures. He said that some members of the SEC did not distinguish between regulation of a public utility, which usually has an exclusive franchise, and a life insurance company, which shares the field with scores of other good companies.

"Apparently they called the actuaries not to explain how price is computed but solely to show that there had been actuarial conferences which led certain companies to take parallel action on some common problems," he said. "They were not interested in why the actuaries got together or whether the outcome was in the interests of the policyholders."

Had Duty to Confer

Mr. Laird went on to tell how actuaries have from time to time held informal conferences on joint problems which required mutual consideration in the interests of the policyholders.

"In fact," he said, "leading actuaries would have been subject to criticism if they had not talked over the changing conditions and presented concrete recommendations to their executive officers."

Mr. Laird paid tribute to the British in defending "all we hold dear."

"For our friends across the border and those overseas," he said, "we echo the prayer recently heard in the National Cathedral at Washington. 'In this hour of their need, do thou strengthen and sustain them and preserve to future generations the gifts and virtues of the British Commonwealth of Nations.'"

Mr. Laird also said that members of the Actuarial Society had offered homes to children of British actuaries and that five children had been assigned but apparently their sailing has been indefinitely postponed.

R. A. Hohaus, assistant actuary

Metropolitan Life and president American Institute of Actuaries, called on the actuarial profession to militantly discharge the responsibilities of making democracies survive in the United States and Canada. He predicted that the actuaries' tasks will continue to grow in scope and that complex social and economic problems will present themselves which the actuaries' special training should be able to help solve.

In collaboration with F. S. Jahn, also of the Metropolitan, Mr. Hohaus presented a paper on unemployment insurance in which it was suggested that the present flat benefit payments may not be sufficient to serve the original purpose of unemployment insurance and that a plan might be desirable which would give a basic benefit and also additional benefits where the employee has dependents. The paper also gave the main arguments for and against experience rating to give tax advantages to employers with more stable employment records.

CAMMACK'S PAPER

Supplementing the data presented in 1932, E. E. Cammack, vice-president and actuary Aetna Life, brought the company mortality experience under group life policies down to date. As in the earlier investigation, mortality experience according to industry was presented in detail.

Mr. Cammack revealed that in spite of general discontinuance of the disability provision in group life policies issued after 1931 and replacement of this feature by an extended death benefit provision, death losses now being experienced under group policies are somewhat less than the death losses alone under the older type contracts. He said that one might say that the elimination of the disability clause has saved all the disability claims plus 6 percent of the death claims.

Insuring Retired Employees

Since group policies usually provide that insurance may be continued on the lives of employees retired or pensioned, Mr. Cammack investigated the cost of this benefit in order to answer the question frequently asked by employers, "To what point would the premium rate increase if I continue insurance on all my employees who are retired?" The cost

will vary greatly, Mr. Cammack said, depending upon the experience of the particular group and on whether the full amount of insurance is continued after retirement.

The cost to the employer is relatively small where active employees contribute at the rate of 60 cents per month per \$1,000 of insurance and where only a small percentage of the insurance is continued. It also tends to be less in cases where a flat amount of insurance is provided for all employees rather than where the amount of coverage depends upon salary. He said that generally speaking, however, the cost is appreciable.

Conversion Cost \$67.68

The investigation also covered the cost of converting group insurance into regular insurance upon termination of employment. Using the Aetna Life's non-participating rates and cash surrender values, Mr. Cammack said that according to the experience, if group conversions are distributed by age and plan in the same proportion as those of his company for the past year the average cost of conversion will be \$67.68 for each \$1,000 of insurance.

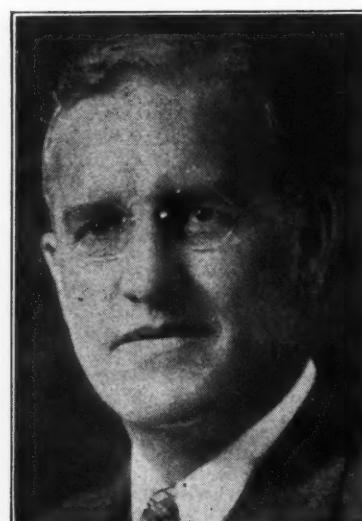
R. J. Myers, actuarial mathematician Social Security Board, discussed the reliability of census statistics, pointing out some of the errors which consistently appear in the information furnished by those being enumerated. For some reason not entirely clear there has been an incomplete enumeration of children in the first two years of life, he said. These omissions are somewhat greater in the case of colored persons than for white persons. Possibly because of its legal significance age 21 is given more frequently than might be expected. Analysis shows that men of 20 are more likely to stretch their ages in this way than with women of that age.

Oldsters Brag of Age

Census figures clearly bear out the commonly accepted notion that old people are inclined to exaggerate their ages. Tests indicate that there were probably not more than 400 centenarians in the United States in 1930, yet nearly 4,000 of them were reported in the 1930 census, he said. This tendency to exaggerate doubtless exists to some degree at ages over 90.

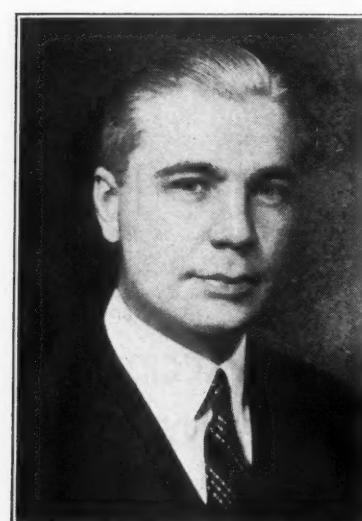
While errors of this type have been noted in each census since 1880 the trend has been toward greater accuracy and

PRESIDENTS OF ACTUARIAL GROUPS



JOHN M. LAIRD

At the joint meeting of the Actuarial Society of America and the American Institute of Actuaries at White Sulphur Springs this week, John M. Laird, vice-



R. A. HOHAUS

president Connecticut General, presided as head of the former, and R. A. Hohaus, assistant actuary of the Metropolitan Life, as president of the institute.

reliability, and the age data in the 1940 census, which should be available within the next year or two should be the best yet, he said.

ASSET UNIT EXPENSE

In a paper on methods of calculating unit expenses for asset shares, E. H. Wells, mathematician and C. B. Laing, of the Prudential, described three methods used for allocation of expenses to the various groups and sub-groups of a company's business.

The prorating method classifies insurance expenses in the manner shown in the annual statement, distributing them according to the amount of premium, the number of policies or amount of insurance. Expenses are then sub-classified into first year and renewal.

Work Is Justified

Using the method of analysis of operations, the expenses of each department are broken down separately into those arising from the acquisition of new business and those resulting from its subsequent administration. These are then sub-classified into expenses per policy and expenses per \$1,000 of insurance. This requires a tremendous amount of time and work but is probably worth while for all but the smaller companies, the authors concluded.

The third method is described as functional. It classifies all expenses according to the particular operation producing them, such as issuance of policies, payment of death claims, and the like. These are then computed per unit appropriate to each function.

Testing out the results of these three methods by means of asset share calculations on exactly the same total expenses, the authors reached quite different conclusions, indicating that despite the popular impression individual judgment plays an important part in the assessment of expenses and the apportionment of surplus.

Actuarial Legislation

R. E. Lane, statistician of Flitcraft, and H. M. Sarason, assistant actuary General American Life, presented a joint paper on surrender values which showed how actuarial principles may be translated with reasonable accuracy into simple legal descriptions or formulas suitable for inclusion in statutes prescribing the calculation of surrender values and setting maximum and minimum limits for these values. They pointed out that much progress has been made in the study of equitable treatment of policyholders surrendering their policies.

The authors recalled that only last year J. E. Hoskins, assistant actuary Travelers, presented an outstanding paper on this subject before the Actuarial Society. On the other hand, they pointed out, very little of this has been discussed with relation to state laws. They attributed this partly to the fact that state laws with only one or two exceptions already allow the company such leeway in calculation of surrender values that equity is possible within fairly adequate ranges. In comparison however to the New York law on expense limitation, for example, the surrender value laws lag far behind, they commented. Mr. Sarason also presented an actuarial note, entitled "Attained Age Valuation Formulas."

Plan for Grading Commissions

E. A. Rieder, assistant actuary Mutual Life of Canada, presented a paper on "A Method for Grading Commission Scales by Plan and Age at Issue." He pointed out that a life company sells "protection" and "investment" and its potential profits depend upon the quantity of each which it has in force. The assured is interested in these two elements alone and the method outlined in the paper stresses the relation of commissions to the protection and investment values of each contract. Mr. Rieder did not discuss the general level of commission and the extent to which they should be advanced in early years

but suggested one method which might be used to grade the scale by plan and age at issue after its general level and the relation between first year and renewal commissions have been decided.

HOSPITALIZATION

Robert Henderson, retired vice-president and actuary of the Equitable Society, presented a paper entitled "Actuarial Notes."

In the past five years group hospital expense insurance underwritten by life companies has grown from practically nothing to plans covering more than 1,000,000 employees, and a substantial number of their dependents, G. W. Fitzhugh, assistant actuary Metropolitan Life, said. Group surgical operation insurance, which is of even more recent origin, covers approximately 650,000 employees.

Rates of hospitalization appear to be somewhat more favorable than when last investigated, Mr. Fitzhugh said, though he warned that there is reason to believe that higher sickness rates may be expected in future years.

Mr. Fitzhugh said that total premiums of \$12,400,000 are now being paid annually for these two types of insurance which did not exist five years ago, \$9,000,000 being on hospitalization and \$3,400,000 on surgical operation insurance. In an analysis of the hospitalization claims experienced thus far, about half covered a period of one week or less, one-fourth were for one to two weeks and one-fourth for more than two weeks.

In a paper on "Natural Reserves", Bruce E. Shepherd, actuary Life Presidents Association, demonstrated their relation to the better known level net premium reserves and showed how the latter could be used for estimating the effect on natural reserve values of variations in expense assumption. He thought this might have some use in connection with studies of surrender values now in progress.

MORTALITY STUDY

B. F. Blair, Provident Mutual, revealed that in the course of a recent investigation of the mortality on male white lives by his company, a definite relationship was found between the average amount of insurance per policy and the height and weight of the insured. Mr. Blair said that after adjusting for the effect of variation in average amount with age at issue and dividing the data into groups according to height and weight, the lowest average amounts were found among the short underweights and the highest average amounts among the tall overweights.

"The causes of these correlations could not definitely be determined," said Mr. Blair. "They may possibly be only apparent effects in that relative height and weight may themselves be only corollaries of some other factors, such as income, race or marital status, which in turn affect the average amount of insurance per policy."

It was also found that the average height of young men was greater than that for all ages, this decrease in average height as age at issue increased being the result not so much of shrinkage with increasing age as of variation in average height with calendar year of birth.

Clark Urges Companies to Recruit College Men

(CONTINUED FROM PAGE 3)

bogged down by paper work, routine mail and other seemingly pressing problems and do not pursue the job of strengthening man-power. There is room for improvement of leadership by the home office in its relationship with the managers and general agents, he declared.

Much remains to be done, according

to Mr. Clark, in the matter of determining what characteristics and other factors are desirable in the man who is to be made manager. Too often he is selected because of a good production record with little consideration of his qualities of leadership. The greatest hope for improvement lies mainly in raising the ability of managers who in turn can raise the ability of agents.

Recruiting College Men

On the matter of recruiting, Mr. Clark suggested that home offices ought to make plans to take the better men from colleges and universities into the business on a guaranteed basis of compensation to be assumed largely by the company. The men should be placed in the home offices or in salaried positions in the field and they should be kept there long enough to determine their capability. This is a task for the companies. Generally, the manager cannot do it or if it is left to him he will not do it.

The companies should have a plan, he said, that will get the college men that they want rather than those that are passed up by other industries. He suggested that each of the companies could take from five to 50 graduates each year and that a salary of \$100 a month would be sufficient. Some of the men might be retained in home office positions and others sent into the field.

These men could attend a company training school as well as carrying on their assigned duties.

If the insurance industry wants college men in the business, it must be willing to make an investment in them as other businesses do, he declared. If the colleges are to teach insurance and help train men for insurance, they must be given some tangible evidence of cooperation from the companies.

In the industrial field, Mr. Clark said, there is a better system of measuring costs and results of building manpower than in the ordinary end. There is need, he said, to formulate some conscious cost type of measuring rod in ordinary agencies. If there were some such measuring rod, he said, there would not be so many small ordinary agencies established in many small cities. There would be a survey of the market and if it were found that the market was sufficiently covered, some other location would be decided on. Certain companies, he said, probably should concentrate in fewer states for reasons of cost and quality business.

Mr. Clark took occasion to say a word in behalf of the program for eliminating unfit agents. He endorsed the idea of a minimum production for the continuation of an agent's contract. If the unfit agent were eliminated, the burden would be put on both agency executives and agency managers to get more production from men who are making a living or would compel managers to build more self supporting men.

In discussing the question of agents' compensation and retirement plans, Mr. Clark described the program that has been in effect in his old agency for many years.

Mr. Clark suggested that college men who have heretofore entered the investment field are logical candidates for future leadership in many agencies. He pointed out that until 10 years ago, many of the leading college graduates entered the bond business. Investment banking today is a shadow and very few promising young men are considering that field.

Ind. Upholds W. Va. Law

The Indiana supreme court holds that E. J. Becker and other officers of the American Aid Association, South Bend, are subject to the West Virginia insurance law although the association is not licensed in that state. This reversed the St. Joseph circuit court in the case of Pete Karvalsky, beneficiary of a \$1,000 policy on George Howland of West Virginia. Under a West Virginia statute officers of an outside insurance company which is unlicensed in that state are liable for contracts made in the state by the company's agents.



Watch A Squirrel

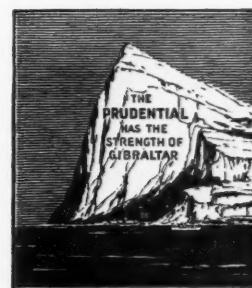
Through countless generations these tiny creatures have been teaching an everlasting truth.

At this season of the year you will find one eating only a portion of the food he forages.

The remainder he is storing away against the days when the ground is bare.

He knows nothing whatever about life insurance, but he knows that his cache will be his insurance against death.

Your prospect may be interested in this illustration.



**The Prudential
Insurance Company of America**

Home Office, NEWARK, N. J.

EDITORIAL COMMENT

Look for Further Increases

THE action of the Connecticut General Life in increasing its non-participating rates and putting them on a 3 percent basis calls attention to the fact that the Aetna Life and Travelers have already made this move. It would not be surprising to see other companies follow, in view of the investment situation which is not improving. As the older investments in the portfolios gradually mature companies are then confronted with a lower average interest yield. It is expected that other companies in due season will pursue the same course although no announcement has been made.

There may be considerable doubt as to the medium sized and smaller western and southern companies. At one time their rates were higher than the

large eastern non-participating companies. However, since 1930 the eastern companies have gradually increased their rates while the companies in the west and south have with few exceptions taken no action. A number of executives hesitate to announce any increase in rates at this time in view of the effect on the agency force. However, if the present financial and economic conditions continue, in order to play safe companies will be obliged to increase their rates. As President Cleary of the Northwestern Mutual Life pointed out to his directors the other day, the problem of investing money at even the rate of interest required to maintain the legal reserve requirements is becoming very serious.

Keeping Up Sustained Pace

H. B. BERWICK of Toronto, Can., supervisor of agency service Manufacturers Life, in an address discussed the very engrossing topic of why some agents continually succeed and become leaders with their companies and others do not. He has made a study of those in the Million Dollar Round Table and other men who march in the front ranks in the procession of producers.

In his opinion almost all agents at one time have all the faculties of a leader. They are salesmen par excellence. They have the characteristics that carry them right to the front. In anal-

yzing these cases Mr. Berwick reaches the conclusion that the topnotchers stay where they are because of sustained work and effort. They continue along the same course and do not allow themselves to decline. The others become leaders at one time but do not maintain the pace. They permit themselves to fall back. They may have all the physical and mental resources to make great salesmen and become leaders on their companies' rolls. The top producers, according to this analysis appreciate the necessity of sustained application, continued effort and hard work right along.

Insurance Employees as Good Will Creators

HOLGAR J. JOHNSON of New York City, president Institute of Life Insurance, in his talk before the American Life Convention meeting, said that one of the urgent needs in insurance is to have a clearer understanding of the business on part of salaried employees, whether in the home office or field. He related an incident at his former home in Pittsburgh when his telephone got out of order and an installation man called to do the repairing. Mr. Johnson made some critical comment on the telephone company and its operations. This installation man took 15 minutes to set Mr. Johnson right. Mr. Johnson said that after this conversation he had a much clearer and more distinct comprehension of the telephone service, what the company was doing, how it aimed to service its customers than he had before. It convinced him that the telephone company was using its own peo-

ple in their contacts with the public to create good will.

When we think of the multitude of people employed in insurance we must realize that here is a potential army that can accomplish much for the business. They can be ambassadors of good will. It is Mr. Johnson's idea that clerks, for instance, should have a more distinct realization of their jobs. They should not be made to feel that they are simply small cogs in a great machine but that they do have positions of prominence and that they are recognized as important to the business. They should be elevated in their own conception of their work. They should not be continually reminded more by manner than by matter that their positions are largely perfunctory and mechanical. They should know something about their business and its fundamentals. They should be told what insurance is doing for the

people. Very often these employees, like the telephone installation man, have opportunities to correct false notions and to clear the cobwebs out of the minds of a number of people who have imaginary complaints.

Here is an opportunity then for in-

surance offices of all kinds to mobilize their forces, instruct them and send them out with a new voice, a finer appreciation of their positions and more than that a clearer idea of the industry which they serve. This is a procedure that should be adopted.

PERSONAL SIDE OF THE BUSINESS

Miss Iris I. Leatherman, daughter of J. P. Leatherman, general agent for the Continental Casualty-Assurance at Lansing, Mich., was married to W. J. Marzolf. Mrs. Marzolf has been identified with the Continental companies the past four years.

Gwyn M. Hughes, home office accident and health field supervisor, and Harland L. Knight, agency secretary of Union Mutual Life were the principal speakers at the fall dinner of the University of Michigan Alumni Association of Maine in Portland. Mr. Hughes is vice-president of the University of Michigan Alumni Association for New York and New England. Mr. Knight is president of the University of Maine Cumberland County Alumni Association.

The program was arranged by A. Thomas Lehman, Union Mutual vice-president and actuary, who is secretary of the Michigan Alumni group. In attendance were Henry J. Southern and Charles Southern of the Union Mutual underwriting and actuarial departments.

H. L. Knight, agency secretary of Union Mutual Life of Portland, Me., has been placed in charge of arrangements for the annual University of Maine alumni fall football rally. He is president of the Cumberland County Alumni Association.

R. E. Irish, president of Union Mutual Life, is president of the Community Chest organization in Portland, Me.

Julius Schmahl, chairman of the Modern Life of Minnesota, and N. J. Holmberg, vice-president, are candidates for state office this year on the Republican ticket. Mr. Schmahl is seeking reelection as state treasurer and Mr. Holmberg is a candidate for railroad and warehouse commissioner.

M. E. Heilig, unit manager of the E. L. Carson agency of the Equitable Society in Milwaukee, was honored at a

dinner party on his 25th service anniversary. Edward Hoffmann, special agent, was toastmaster. Walter L. Gottschall, Chicago, regional director of agencies, represented the company, and Asher Nichols spoke in behalf of policyholders. Mr. Heilig is the oldest man in point of service in the Wisconsin agency.

An oil painting of John M. Sarver, former president of the Ohio State Life and now chairman of the board, was unveiled at the quarterly meeting of the directors at the home office in Columbus. C. A. Thompson, Cleveland, a director, and President Claris Adams paid tributes to Mr. Sarver.

Edmund Fitzgerald, vice-president Northwestern Mutual Life, has been named on the national defense committee of the Milwaukee Association of Commerce, which will act as a clearing house for information and direct defense projects in Milwaukee.

T. W. Ozlin, member of the Virginia corporation commission, of which the Virginia insurance bureau is a unit, will be a candidate for the nomination for governor of Virginia in next year's Democratic primary.

John F. Johns, eastern superintendent of agencies of the Reliance Life, underwent a serious operation in the West Penn Hospital at Pittsburgh. His condition is reported to be progressing although no visitors are allowed to see him. He was stricken several weeks ago while preparing for a business trip to some of the agencies and made the tour in spite of his condition.

James H. Wyman, field auditor Bankers Life of Iowa, is recovering at his home in Des Moines following a second operation undergone recently at the Mayo clinic in Rochester, Minn.

Gerhard Gesell, counsel for the insurance study of the Securities & Exchange Commission, has written a book, "Protecting Your Dollars," which will be published next week on the 11th anniversary of "Black Tuesday," the day of the stock market crash. Mr. Gesell's purpose in writing the book is to explain the intricacies of the SEC for the layman. It is published by National Home Library Foundation, Washington, D. C.

Completing 15 years as agent for the Penn Mutual Life in Chattanooga, C. O. Stephens was honored at a testimonial dinner by his associates in the Edward E. Brown agency there. Tribute was paid Mr. Stephens by Mr. Brown, who was toastmaster, and by W. H. Browder, Nashville general agent. Mr. Stephens ranks among the first 25 agents of the company. He has always been a member of the Penn Mutual Leaders Club and Five Star Club and has never missed a company convention.

H. E. Van de Walker of Detroit and Ypsilanti, state manager Ohio State

BOUQUETS

. . . to the Cleveland Life Underwriters Association for its excellent booklet outlining the need for the association and "what it does for you." It should go a long way in solving the membership problem as it provides a concrete sales presentation.

* * *

. . . to G. L. Hunt, vice-president and manager of agencies New England Mutual Life, for the informative analysis of Los Angeles production and expense figures which he presented to the managers' association there.

THE NATIONAL UNDERWRITER



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SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3654. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Life, proffered his resignation to Governor Dickinson after serving 14 years as chairman of the state crippled children commission. Mr. Van de Walker and the governor have been at odds for several months over policies of the commission.

Sam C. Pearson, Jr., son of the Kansas City general agent of the Northwestern Mutual Life and himself an agent, and Donna Sutherland of Kansas City, have announced their engagement.

A. E. Mielenz, 78-year-old Aetna Life general agent in Milwaukee, was presented the 1940 distinguished citizen service medal by the Cosmopolitan Club of Milwaukee at a special dinner attended by S. T. Whatley, Aetna Life vice-president, and a number of agents.

DEATHS

Eugene P. Lecher, for 45 years with the Northwestern Mutual Life in the home office and for the past eight years assistant superintendent of claims, died at his home in Milwaukee after a long illness. He started in the actuary's department in 1895, became assistant chief clerk, and was transferred to the claim department in 1914. He became ill in May, 1939, returned to his desk in May this year, but was unable to work since August.

Fernand Baruch, president of F. Baruch Agency, Philadelphia, general agent of the Girard Life, died suddenly. He had been confined to his home several days with an attack of grippe and was on the road to apparent recovery when he succumbed to a fatal heart attack. Born in Italy in 1878, Mr. Baruch was educated at Venice and Turin and later served as lieutenant in the artillery corps of his country. At the age of 23 he came to the United States, locating in New York for about a year before going to Philadelphia, where he entered life insurance. In 1905 he joined the Grand Fraternity, a Philadelphia fraternal, and later became its general manager. In 1916 he became general agent of the Girard Life and has served the company in that capacity ever since. In 1928, one of his sons, E. E. Baruch, joined his father and the business was incorporated under the title F. Baruch Agency, Inc. In addition to the Girard Life, the agency represents several fire and casualty companies.

COMPANIES

F. H. Low Advanced by the Home Life

The Home Life of New York has appointed F. H. Low assistant superintendent of agencies. Following his



F. H. LOW

graduation from Yale he began his life insurance career in January, 1935, when he entered the home office of the com-

pany as a member of the "young-man special training group" which it maintains for young college graduates. A year later he entered the field as a personal producer and his paid-for volume for 1937 ranked him among the leaders. He also qualified for membership in the President's Club, sales organization of leading producers. In 1938 he was appointed home office agency field assistant and has been working with general agents in developing recruiting operations.

Mr. Low is a graduate of the agency management school of the Life Insurance Sales Research Bureau.

Interstate L. & A. to Vote on Increase in Capital

CHATTANOOGA, TENN.—Stockholders of the Interstate Life & Accident have been called to meet Nov. 7 to consider an increase in capital from \$300,000 to \$400,000. The directors have recommended the larger capital structure.

Increase in capital has been made necessary by the rapid growth of the company, Dr. J. W. Johnson, president, said. An increase of from 12 to 15 percent in insurance in force will be shown at the end of the year, he stated. The Interstate will close the year with ap-

proximately \$60,000,000 of insurance in force, a premium income of nearly \$3,000,000 and assets of approximately \$4,000,000.

In 1926 the Interstate had increased its capital from \$150,000 to \$300,000. At that time each stockholder was given the privilege of buying a number of the new shares in proportion to the number he already held.

West Coast Life Creates Position of Inspector for United States Agencies

SAN FRANCISCO—Otto Langpaap, inspector of agencies in the central department of the West Coast Life, is appointed inspector for all United States agencies, a new position just created. He has been with the company 26 years. In this development J. W. Stewart, veteran of more than 30 years and inspector of agencies northern department, retires from that activity and becomes special home office representative, supervising agency development and investments in Oregon. J. P. Robinson, 16 years inspector of agencies at Dallas, has resigned.

Mr. Langpaap continues his headquarters in San Francisco and hereafter all agencies will report direct to the head office instead of through regional offices.

Official Is Advanced by Continental American

Ralph E. Halstead has been promoted to superintendent of agencies by Continental American Life. He joined the company in 1935 as supervisor of agencies. He entered the life insurance business 19 years ago as an agent.

"In reflection of his enlarged responsibilities, Mr. Halstead was promoted by the board of directors," President A. A. Rydgren announced in a letter to the Continental American field force. "He has demonstrated increasing usefulness in the agency affairs of the company, and I am sure you will be pleased over his promotion."

Until the recent completion of the new home office building in Wilmington, Mr. Halstead's office was in the Woolworth building, New York. His headquarters were moved to the new building when it was occupied, and he and



R. E. Halstead

COMPLETE PERSONAL PROTECTION

* Life * Accident * Health * Annuities * Hospitalization * Group * All-Ways



November is the birth month of W. T. Grant, President and Founder of the Business Men's Assurance Company. • In his long and successful career as an Insurance Salesman and Executive, Mr. Grant has won the friendship of countless men and women engaged in this important business. • This year, as always, his own associates are dedicating their November efforts to him, and we feel sure that many others outside of the B. M. A., join us in wishing William Thomas Grant a very happy birthday.



Business Men's Assurance Company

W. T. GRANT
President

KANSAS CITY, MISSOURI

J. C. HIGDON
Vice-Pres. in Charge of Sales

Mrs. Halstead now make their home in Wilmington.

Commonwealth Life Names New Manager of Agencies

LOUISVILLE—The Commonwealth Life has appointed A. W. Litz manager of ordinary agencies. He will be in charge of the ordinary agency force and



A. WALTON LITZ

will supplement the work that has been done in that department in the past.

Mr. Litz entered the insurance business at Dyersburg, Tenn., in 1923, a year after he graduated from the University of Tennessee. He was leading agent for his company the first year in business and spent the next three years as personal producer and general agent for that same company.

He started with the American National of St. Louis. He then became general agent. In January, 1928, he moved to Nashville as manager of the Great Southern Life of Houston. On Jan. 1, 1939, he became manager of the Franklin Life.

Built Up \$2,000,000 Agency

When he first opened an office in Nashville, starting from scratch with a company that had just been licensed in that state, he built up within a few years a \$2,000,000 per year agency.

Mr. Litz has served at various times as president of four Tennessee underwriters' associations. He was national committeeman of the National association and his most recent election was that of trustee of the American Society of Chartered Life Underwriters.

The Commonwealth states that there will be no change in its present agency personnel. Monroe Smith and Gayle Prather will continue as home office supervisors.

Heads Farm Mortgage Division

R. I. Nowell has been made manager of the farm mortgage department at the home office of the Equitable Society. He entered the service in 1937. He was farm born and bred in Utah. He graduated from Utah Agricultural College and has been identified with the Federal Farm Board as an economist. He has devoted considerable time to research work for the Department of Agriculture.

Hawaiian Business Reinsured

The Hawaiian life business of the American National of Galveston, which has been reinsured by the Lincoln National Life, amounts to \$2,500,000.

List of Prominent Assured

The Union Central Life has published in a very convenient and artistic form a booklet giving more than 1,000 names of well known American men and women who are insured in the company. They are listed alphabetically and are located in various sections of the country.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Phoenix Mutual New Dividend Scale Shows Decreases

A new dividend schedule will become effective for Phoenix Mutual policies Jan. 4. While the percentage of reduction varies for individual dividends, the average reduction for a 20 year section of the schedule is slightly under 20 percent. The rate of interest allowed on dividends left with the company has been reduced from 3.6 percent to 3.5 percent. This is the first change in dividend schedule by Phoenix Mutual since July 1, 1934, except for some adjustments that were made in 1936. This company has been dating its dividend schedule from July 1 each year since 1920, so that this change becoming effective on Jan. 1 is somewhat of an innovation.

Samples of the new schedule are shown in the accompanying table.

1941 Dividends—3½% Interest Rate of 3.5%

End of Year	Ord. Life	Pay. Life	Year End.	Age 65	Reg.	
					\$	\$
Prem.	16.71	25.45	45.20	19.54	31.40	
1st	2.32	2.27	2.09	2.30	2.84	
10th	3.10	3.24	3.16	3.15	4.05	
20th	3.45	4.04	4.38	3.64	5.01	
Tot. 20 yr.	59.00	62.00	63.00	61.00	79.00	
Ac. 20 yr.	82.00	87.00	86.00	84.00	108.00	

Age 20

Prem.	21.27	30.26	46.24	26.41	45.49
1st	2.78	2.70	2.54	2.72	3.34
10th	3.09	3.27	3.21	3.18	4.25
20th	3.72	4.42	4.71	4.11	6.14
Tot. 20 yr.	63.00	68.00	67.00	65.00	89.00
Ac. 20 yr.	87.00	93.00	92.00	90.00	121.00

Age 30

Prem.	24.58	33.49	47.18	31.81	57.26
1st	2.76	2.70	2.57	2.70	3.24
10th	3.20	3.41	3.34	3.36	4.39
20th	3.97	4.75	4.96	4.58	6.69
Tot. 20 yr.	65.00	71.00	70.00	69.00	93.00
Ac. 20 yr.	90.00	97.00	95.00	95.00	125.00

Age 35

Prem.	28.94	37.51	48.70	39.54	75.30
1st	2.82	2.78	2.66	2.75	3.23
10th	3.43	3.65	3.55	3.57	4.65
20th	4.16	5.06	5.27	4.94	8.14
Tot. 20 yr.	69.00	75.00	74.00	74.00	101.00
Ac. 20 yr.	96.00	103.00	101.00	101.00	135.00

Age 40

Prem.	34.79	42.69	51.27	51.27	105.75
1st	3.04	2.99	2.89	2.89	3.26
10th	3.79	4.01	3.86	3.86	5.06
20th	4.33	5.45	5.69	5.69	7.29
Tot. 20 yr.	75.00	82.00	80.00	80.00	72.00
Ac. 20 yr.	104.00	111.00	109.00	109.00	85.00

Age 45

Prem.	53.79	59.11	62.85	108.90	...
1st	3.97	3.34	3.88	3.45	...
10th	4.43	4.69	4.46	5.14	...
20th	6.27	7.28	7.03	...	...
Tot. 20 yr.	96.00	103.00	99.00	*41.00	...
Ac. 20 yr.	132.00	140.00	135.00	*47.00	...

*Dividends apply to male or female contracts; premium rates shown are for male lives (\$10 income).

*At maturity.

Aviation Restrictions Are Removed by the Home Life

NEW YORK—Home Life of New York has removed all restrictions on scheduled flying in considering applications up to \$10,000 on standard plans, such as ordinary life and policies carrying higher premiums. The preferred risk policy and term insurance are still subject to some restrictions. Above \$10,000 on the regular plans the amount that will be accepted is graded according to the amount of flying done per year. Persons who fly more than 100 hours a year are not granted the full retention but even above 200 hours it is

possible to obtain standard insurance on large amounts.

The company will not issue its preferred risk policy or term insurance on those who do more than 100 hours a year flying.

If the airlines succeed in getting through the current year without another crash the 1940 record will be just as good as that for 1939 on a passenger-mile basis in spite of the disastrous Pennsylvania Central Airlines crash a couple of months ago. While that wreck terminated a 16-month record without

a fatality the calendar year 1939 was very much like 1940 to date in relation to the amount of flying done.

Metropolitan Covers Service

The Metropolitan Life has decided to extend coverage of accident and health policies to include injuries sustained or sickness contracted while in military service within the limits of the United States or Canada.

Given Better Classification

Insurance men are now underwritten as Class A risks for accident insurance by the United States Life. This change in underwriting rules will mean a saving of 20 percent to insurance men who are classified by most companies as Class B risks.

Tells About Annuity Rates

The Equitable Society in connection with its increase in rates for individual

WE could quote figures, and will if you want them—but the purchaser of life insurance isn't buying statistics, he is buying protection. Great Southerners are never at a disadvantage when they meet their prospects face to face on that issue.

Every agent's contract, covering a complete line of Participating and Non-Participating Protection, is direct with the Home Office; is identical in form and terms; is non-cancellable after three years service; and is most liberal in first-year and renewal commission schedules.

Ask any Great Southerner or write direct to the Home Office at 401 Louisiana Street, Houston, Texas.



GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President
HOUSTON, TEXAS

annuities on the immediate and deferred single consideration plan states that they will be higher for all ages. The rates for women will be the same as those for men at an age five years younger. The 1940 dividend scale for single consideration annuities does not apply to these new rates. No new dividend figures can be quoted on the basis of these new rates until action is taken by the company on the general scale of dividends for 1941.

Restricts Term Coverage

The Kansas City Life on Nov. 1 ceased writing all forms of term insurance on lives of unmarried men not 36 years old before Oct. 15, 1940. The new ruling reflects the liability of such men to service under the selective service act.

Home Purchasers Policies

Home purchasers' insurance policies may now be taken out to protect an indebtedness for as long as 25 years with the General American Life. Policies covering repayment of debts created by the purchase of a home have previously been written by the company for not more than 15 years.

In announcing the new maximum time limit, the company says "the number of home purchasers taking advantage of FHA and other monthly payment plans has been increasing, with a tendency toward longer financing periods. To enable our field men to meet these developments when writing insurance to cover the unpaid balance of the mortgage, the company is announcing this new policy."

As in the case of the 15-year limit home purchaser's policy, the last year of coverage must begin when the policyholder is not more than 65 years old.

SALES MEETS

Ford Agency of American National Has Annual Meet

OKLAHOMA CITY—The Will H. Ford agency of American National held its annual meeting and banquet here at which all agents of the ordinary department in Oklahoma were in attendance. The afternoon was given over to business sessions and in the evening all Oklahoma agents with their wives were guests of Mr. and Mrs. Ford at a dinner dance that was held in the Biltmore Hotel. There were 55 persons in attendance.

A loving cup was awarded to H. P. Campbell, a member of the Oklahoma agency, for having secured \$311,500 of new business during his first contract year. The presentation was made by Joseph Sain, home office supervisor, who was a guest of the agency. Also attending from the home office were E. A. Rees, general manager industrial department, and Mrs. Rees; William Sutherland, supervisor, and Inspectors Clark and Lange.

Other guests included J. T. McDade, superintendent Oklahoma City district; Prentice Ellis, general agent, Paris, Tex.; Scott Hunley and R. M. Ayers, and their wives, representing the American Service Bureau, and Morris Ford,

manager ordinary department, Tulsa, and Mrs. Ford.

Will H. Ford acted as master of ceremonies at the banquet and reported that the Oklahoma agency had produced a satisfactory volume of business for the first nine months. He indicated that the company as a whole was substantially ahead of any previous year, both as to volume of business produced and net gains in all departments. An active campaign for the remaining months was arranged.

Schwemmm Assists Baker in U. S. Regional Meetings

Earl M. Schwemmm, Chicago agency manager Great-West Life, is assisting the head office officials in conducting a number of regional meetings in the United States. Mr. Schwemmm is conducting the morning session at each meeting, this being divided in two discussion periods. The first presents sales opportunities in conjunction with social security and the second the new social security sales aids recently furnished to the agents by the head office.

H. A. H. Baker, assistant general manager and superintendent of agencies, assisted by L. A. Cannon, assistant actuary; D. E. Gilgour, inspector of agencies, and W. A. Johnston, field service department, are handling the afternoon session. This is devoted to new training material, company sales aids and new company practices.

Meetings were held in Detroit last week for all Michigan agents and in Chicago and Decatur for the Illinois agents. The Minnesota agents will gather Friday, Nov. 1, at St. Paul.

North American L. & C. Rally

More than 50 agents of North American Life & Casualty and their wives attended a banquet in Grand Forks, N. D., to meet President H. P. Skoglund at the conclusion of "Skoglund Week."

Sig Bjornson, Grand Forks, general agent for northern and eastern North Dakota and northwestern Minnesota, was in charge of arrangements. Harold D. Shaft, attorney, spoke on "Insurance from the Public's Point of View," and President Skoglund made a brief talk.

Great Northern Meeting

A meeting of the Indiana field organization of the Great Northern Life was held at Indianapolis under the sponsorship of Carl Songer, state supervisor. The home office was represented by E. H. Ferguson, assistant secretary and president of the National Accident & Health Association, who explained the improvements in the commercial accident and health line of the company brought about by the introduction of the new "500" series of policies.

School for Oregon Agency

PORTLAND, ORE.—A three-day school of instruction was conducted here for the Oregon agency of the Massachusetts Mutual Life by A. D. Lynn, assistant director of agencies, and Rick Gale, agency assistant.

Phoenix Mutual Chicago Dinner

Chicago and Milwaukee representatives of Phoenix Mutual Life gathered for a dinner at the Edgewater Beach

Splendid opening for experienced Industrial Asst. Supt. with a Monthly Premium Co. handling business on debit basis. Good Guarantee Salary with overwriting. Write in confidence giving all particulars and references to Box M-36, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

hotel, Chicago, Monday. The home office was represented by D. Gordon Hunter, vice-president, and James A. Giffin, assistant agency manager, who were in the city for the Agency Officers-Research Bureau. This has now become an annual Phoenix Mutual event.

At a meeting of the William C. Hart agency of the Midland Mutual in Cleveland, J. A. Hawkins, vice-president, spoke. Others who spoke were William E. Hart, C. L. Shepherd, Frank McFarland and Mr. Hart.

The Federal Life agency club meeting will be held at Hollywood Beach, Fla., March 23-28.

Northwestern Mutual Correction

In the last issue a mistake was made as to the number of policies the Northwestern Mutual had in force Oct. 1. The correct figure is \$1,064,684, gain 15,159. The insurance in force is \$3,937,659,381, gain \$36,932,446.

A warning against insurance counselors who operate on a fee basis was broadcast over radio station WDAF by G. M. Husser, manager Kansas City Better Business Bureau, in talk in which he explained various forms of policies.

COAST

Caminetti Wins Point in Chapter Nine Battle

LOS ANGELES—The California supreme court in San Francisco granted Commissioner Caminetti an alternative writ of prohibition, restraining the superior court of Orange county from making any decision in the case of the Alliance Mutual Life, the writ being made returnable in Los Angeles on Nov. 14.

Mr. Caminetti was named as conservator of the company and its officials sought to vacate the order.

During the trial of the Guaranty Union Life here it was brought out that Superior Court Judge Schmidt had issued an order authorizing Commissioner Caminetti as conservator to write new insurance. The order was made in pursuance of the plan to preserve the agency force of the company and permit of it going ahead as soon as the litigation is over.

Similar authorization has been entered into by stipulation by counsel for the conservator and for the companies in the cases of the National Guaranty and the State Mutual Life of California.

Our New ARROW of GOLD POLICY Provides—

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas.

LIFE • ACCIDENT • HEALTH

These two are part of the so-called Harrison group.

Wiedemann Agency Leads

The V. Webner Wiedemann agency of the Equitable Life of Iowa in San Francisco has won each of the five weekly football contests in which it has been pitted against five other agencies. Outstanding in personal production records during the contest are: H. A. Zollinger, who placed first nationally, and G. R. Baker. Mr. Wiedemann and Mr. Zollinger will attend a "Victory Banquet" in Des Moines Nov. 1.

Proposed Cal. Legislation

The California department has made known some of the proposed legislation that will be discussed at forthcoming conferences with representatives of various branches of the business.

One proposal would remove conflict with the insurance code which fixes 75 percent of the market value at the date of loan as a permissible maximum. There would be a restriction on the powers of insurance companies in the acquisition and holding of real estate.

There is a proposal to give the commissioner power to select his counsel in conservator and liquidation proceedings. The commissioner would be given the right to test by legal proceedings opinions of the attorney-general with which he does not agree. The commissioner would be given authority to suspend or revoke license of an insurer which violates the laws of other states.

There is a proposed provision that the insurer may be liable for loss caused by willful act of the insured, if so provided by the policy or by law.

CHICAGO

SECOND OPEN HOUSE DAY

Manager H. A. Zischke of the Union Central Life in Chicago held another informal "open house" at his remodeled offices, One LaSalle Street building, Wednesday. He had the first reception Tuesday of last week. The offices are well worth inspecting.

H. D. HIGMAN TO RETIRE NOV. 1

H. D. Higman, associate general agent and cashier of the Charles J. Zimmerman general agency, Connecticut Mutual Life, Chicago, retires on Nov. 1 from active service. He has spent 45 years in life insurance agency work, 29 with Connecticut Mutual and the previous 16 with Mutual Benefit. He has

Is Retiring



H. S. STANDISH

H. S. Standish of Los Angeles, manager of the Sun Life of Canada, since May, 1924, is retiring. He was formerly located in Chicago as assistant manager of the Union Central Life.

missed only nine days for illness during that time. He started in the agency of R. D. Bokum, whose office at that time was located on Dearborn street, and worked there until joining the agency of Samuel Chase in 1911. He was hired by Mr. Bokum to do stenographic work and for a period of two years was the only stenographer in the office.

MANAGERS

Lieutenant Walker Speaks

SALT LAKE CITY—The Utah Life Managers Association was addressed by Lieut. F. Edward Walker, former president. President G. J. Cannon presided. Lieutenant Walker, who is on active duty, discussed various aspects of the selective service law and national defense.

Burnett Is Detroit Speaker

H. T. Burnett, vice-president in charge of agencies of the Reliance Life of

Pittsburgh, addressed the Associated Life General Agents & Managers of Detroit Oct. 31, with President Donald Machum, Manufacturers Life, presiding.

Chapman Milwaukee Speaker

L. W. S. Chapman, editor of "Managers Magazine," addressed the Life Managers & General Agents Association of Milwaukee.

Dr. Hazard's Contribution

Dr. W. H. Hazard of the New England Mutual Life wrote an article that appeared in the quarterly magazine, "Harvard Business Review," edited by the faculty of the Graduate School of Business Administration of Harvard, on "The Literature of Life Insurance." This has been printed in pamphlet form. The invitation to write this article opened the way for the preparation of what is, so far as known, the first comprehensive survey addressed to intelligent laymen of that section of contemporary life insurance literature which has a significant message for them.

Optimistic on Railroad Situation

PHILADELPHIA — An optimistic attitude on the ultimate solution of railroad problems was expressed by John A. Stevenson, president Penn Mutual Life, before the convention of the Associated Traffic Clubs of America. He said that the transportation act of 1940 provides means for eliminating many of the present difficulties.

Joins American Convention

The United Services Life, Normandy building, Washington, D. C., has been admitted to membership in the American Life Convention. This makes 158 companies in the organization, an all-time high. The United Services Life was organized Jan. 28, 1939, and operates in the District of Columbia, Canal Zone and Hawaii. It has more than \$11,000,000 insurance in force.

The principal officers and executives are: S. H. Emerson, president; O. R. Leverett, secretary; Harry R. MacKellar, treasurer; J. Lester Brooks, M. D., medical director; L. O. Shudde, consulting actuary; L. M. Bauman, comptroller and assistant secretary.

Weston Wins Carr Trophy

DES MOINES—Harold Weston, Detroit, won the Fred P. Carr achievement trophy for the July-August period, it was announced by E. H. Mulock, president Central Life of Des Moines. Mr. Weston had a 193 percent increase during the two-month period.

**IT TAKES GOOD COACHING
AND TEAMWORK TO BUILD
A WINNING FOOTBALL
TEAM, DOESN'T IT, HENRY?**



**SAME WITH LIFE INSURANCE
ALPHONSE, CAL-WESTERN IS
'SCORING' WITH EXPERT
COACHING, 100% TEAMWORK
AND MODERN SALES AIDS TO
REALLY 'BACK UP THE LINE.'**



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ASSURANCE SOCIETY
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*Home Office
DES MOINES*

**California
Western
States
Life
Insurance Company**
HOME OFFICE SACRAMENTO

NEWS OF LIFE ASSOCIATIONS

Field Man to Get National Spotlight

KANSAS CITY—The National Association of Life Underwriters this year will be particularly concerned with problems affecting the field man, President Harry T. Wright, Equitable Society, Chicago, told the Kansas City Life Underwriters Association.

"If ever there was a time agents and companies should stand together, this is it," Mr. Wright declared. "If anyone wants to destroy democracy in this country, one of the first things they will have to destroy is the confidence in life insurance and life insurance companies."

"The purpose of government is to maintain law and order and help, not hinder, business. Lawmakers who put government in business take business away from those who elected them," Mr. Wright asserted. He hinted that those who seek to shake the people's confidence in life insurance, most of them with the ulterior motive of putting the government in the business, will meet with plenty of counter-attack from the national association.

Call-Back Criticized

In discussing methods of increasing prestige in order to lessen sales resistance Mr. Wright criticized the call-back habit. "There is no surer method of kissing one's self out of the business than this," he said. An agent may sell by being persistent, but he can sell more with the same effort by forgetting the procrastinator and spending his time on other prospects.

"Develop the ability to use the telephone with finesse," Mr. Wright urged, as it saves a tremendous amount of time. Mr. Wright calls a prospect and says: "I have a suggestion to make I think you'll be glad to hear." He soon learns by the character of the response whether it's worth while to follow up the telephone call. Mr. Wright thinks it the most efficient way to get cases started. "When you have the prospect on the telephone you have his undivided attention."

Should Aid Sales

Judge Cave of the Kansas City court of appeals, in commenting on the social security act, pointed out that governmental recognition of the need for building reserves for the day when persons cannot work should give impetus to the selling story of life underwriters.

To improve finances and to provide a reserve for increased activity, the association's budget committee has recommended an increase in dues for agents from \$6 to \$8 per year; for general agents and managers from \$10 to \$25 for offices doing over \$1,000,000, and from \$10 to \$15 for those doing less than \$1,000,000. Sam C. Pearson, general agent Northwestern Mutual, reported that the General Agents & Managers Association approved the proposed increases.

Wright and Woody Honored at Southeast Kansas Parley

PITTSBURG, KAN.—The annual southeast Kansas sales congress here was attended by 150 producers, including a large representation from the Equitable Society to pay tribute to Harry T. Wright, Chicago, president National Association of Life Underwriters, and Warren V. Woody, Chicago manager, both headliners on the program. A. M. Embry, Kansas City manager, introduced Mr. Wright, paying tribute to the close relation between the school, church and life insurance as represented by the speakers who included W. M. Ostenberg, dean of Coffeyville Junior College, on "What's Right With America?" and A. H. Kenna, Methodist

minister, on "Security in This Troubled World."

Commissioner Hobbs of Kansas and Superintendent Lucas of Missouri were unable to attend at the last minute.

The attendance was the largest to date and assures the congress of a permanent place in the Kansas association activities. President J. E. Conklin of the Kansas association presided at the general agents and managers dinner meeting held the preceding evening. E. A. Hasek, Kansas City, general agent National of Vermont, and Fred Holderman, Jr., Kansas City district manager Equitable Society spoke.

F. W. Sutton, Coffeyville, was general chairman of the congress and presided. The Pittsburg host association, headed by R. C. Tharrington, received favorable comments for handling of details.

Iowa Club to Meet

DES MOINES—The Iowa Quarter-Million Dollar Life Club which was organized last spring at Sioux City will hold its first all-day session in Des Moines Nov. 18, it was announced by V. S. Eagan, Bankers Life, Des Moines, secretary. Several nationally known life speakers will be on the program and the conference will be featured by round table discussion on taxes, business insurance, programming and other educational topics.

Study of Selection Urged

CLEVELAND—Speaking before the Cleveland Life Underwriters Association, Dr. H. W. Dingman, vice-president and medical director Continental Assurance, offered suggestions for "Minimizing Rejections or Turning Losses into Profits."

The more an agent knows about the methods used to determine insurability, the better he can protect his clientele,

Dr. Dingman said. If the agent has knowledge of qualification methods he can better size up his prospect and determine whether he must sell the prospect or the home office.

Four big considerations in the home office are overweight, blood pressure, aviation and war.

In discussing coverage on the 45,000 fliers now being trained by the government, Dr. Dingman said that aviation men may feel that insurance companies owe it to them to insure them. However, the companies' debt is to present policyholders. Putting in the war clause would be satisfactory, but companies have not had a meeting of minds in this regard.

Rohrer Addresses Chicago Group

The successful group of life salesmen have the ability to visualize success, while the unsuccessful group lacks imagination and cannot see themselves doing as well as the former group, said P. L. Rohrer, psychiatrist, when speaking on "Psychology Aspects of Self-Improvement in the Selling of Life Insurance," before the Chicago Association of Life Underwriters. W. N. Hiller, Stumes & Loeb agency, Penn Mutual Life, who is chairman of the business getter sales clinic committee, presided.

Dr. Rohrer said that the successful salesman keeps himself in focus, does not suffer from the 49 or 57 varieties of self-pity, has become a specialist in the "You" conversation, has learned to have some fun and is a good story teller. He said that it was invigorating to speak before this kind of group as the room is filled with a spirit of "beliefs that it can be done."

Thorpe Indianapolis Speaker

INDIANAPOLIS—Merle Thorpe, editor of "Nation's Business," addressed nearly 1,200 insurance and business men and women at a luncheon meeting sponsored by the Indianapolis Association of Life Underwriters and the Indianapolis Chamber of Commerce on "What

A PERFECT Ending

We are approaching
the end of another
successful record-
breaking year . . .



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Helps Business Helps You." Mr. Thorpe declared that interests of insurance and business are closely interlinked and traced the trend of the present national administration toward socialism and eventual elimination of private enterprise. Already the government has taken first steps toward the socialization of insurance in social security legislation, old age pensions, unemployment insurance, crop insurance and other socialist endeavors under consideration, he said.

Insurance and business "have made America what America was," Mr. Thorpe commented. He deplored the trend away from the spirit of independence that dominated past generations and was responsible for the achievements that put America in the lead compared with other lands. Government guarantees of security are apt to cost more than dollars and cents in the destruction of incentive and initiative, he said.

"Insurance is the antithesis of socialism," he declared, "and the first step to make America over will be to gain the power to allocate insurance funds."

Oren D. Pritchard, president of the Indianapolis association, presided. Mr. Thorpe's address was broadcast over a local station.

West Texas Sales Congress Proves Highly Successful

BIG SPRING, TEX.—The great desire of life agents to share knowledge about their business to the end that a more professional basis shall be attained was never more evident than at the first west Texas sales congress sponsored by the Texas Association of Life Underwriters.

Some 225 agents, representing fully 90 percent of the membership of the seven local associations participating, were on hand for a full day of activities.

The program spotlighted two topflight Dallas salesmen, John P. Costello, Southwestern Life, who spoke on "Selling Ideas," and Charles E. Seay, Southwest Life, who told "How I Sell." Three agency heads spoke, Carroll C. Day, Oklahoma City general agent Pacific Mutual Life, on "A Philosophy of Life"; F. G. Bray, Houston general agent New England Mutual Life and secretary of the Texas association, on "I'll Take the Heart," and Jul B. Baumann, Houston general agent Pacific Mutual Life and president of the Texas association, on "Association."

Two vice-presidents of the Texas association, Lib Coffee, Kansas City Life, Big Spring, and W. G. Clayton, Aetna Life, Amarillo, presided at the two sessions.

Davenport, Ia.—At a stag for 51 prospective members, 26 were signed up. Paul C. Otto, national committeeman, gave a talk on the work of the National association; Merle Epps, state committeeman, spoke on the state association's work and Charles Kuttler, former Davenport president, discussed the work of the local association. Oscar Hanson, Prudential membership chairman, expects to add 40 members in Davenport this year.

Buffalo—Robert A. Scott, Equitable Society, has been elected a director to fill the unexpired term of C. B. Metzger, recently transferred to New York City.

The board appointed a committee on association procedure in cases where members are called for military service. W. Merle Smith has been appointed a national delegate for three years.

Madison, Wis.—"Capitalizing on Current Conditions" was the topic discussed by Charles L. Kluss, Connecticut Mutual, Chicago. President John V. Hovey introduced the speaker.

Holyoke - Pittsfield, Mass.—Walter Boireau, Boston, president of the Massachusetts Association, speaks at noon Nov. 7 at Holyoke and at Pittsfield at an evening meeting Nov. 12, on the value of the state association to its members and to the insurance business.

Sioux City, Ia.—James E. Rutherford, Penn Mutual, Des Moines, N.A.L.U. trustee, gave the principal talk.

Louisville—John A. Witherspoon, John Hancock, Nashville, vice-president of the

Over 1,000 Expected at Peoria Sales Congress

PEORIA, ILL.—Over 1,000 life insurance men are expected here as the annual fall meeting of the Illinois State Association of Life Underwriters Friday and the sales congress of the Life Underwriters Association of Peoria on Saturday.

In conjunction with a business meeting of the state organization Friday, there will be a school for general agents and managers with B. N. Woodson and Ward Phelps, Sales Research Bureau, as speakers on agency problems, improving sales techniques, improving working habits, improving prospecting, and "the main-spring of management."

The sales congress will be called to order at 9:30 a. m. Saturday by Frank J. Manning, Metropolitan Life manager and Peoria Association president.

Chester T. Wardwell, Connecticut Mutual general agent and chairman of the sales congress committee, will preside at the afternoon session.

National Association of Life Underwriters, spoke at a luncheon meeting on "Prospecting."

Dallas—F. H. Haviland, vice-president Connecticut General Life, spoke on "It's Your Move." John A. Monroe presided.

San Francisco—A program for average producers will be presented Nov. 7. Speakers, under the title "It's Being Done—Each and Every Day," include Henry Drabin, Penn Mutual; Oak Adams, Provident Mutual; Stanley Brooks, Guardian Life, and Robert Cook, Phoenix Mutual. A. K. Deutsch, co-general agent State Mutual Life, will preside.

Minnesota—J. D. Serrill, Minneapolis, and Hiram Moore, St. Paul, both past presidents, have been appointed to take charge of the plans for the mid-year meeting in January or February.

Wichita, Kan.—The dramatic staff of Radio Station KFH presented a skit on "Life Insurance in Action" in the nature of a fake radio broadcast.

Little Rock, Ark.—V. H. Weathersby, Mutual Life of New York, has been appointed president to succeed Thomas L. Harder, who resigned when he became a partner in a local agency.

Portland, Ore.—Ralph Thom, Bank of California, and John Merrifield, general agent Connecticut Mutual Life, spoke.

Youngstown, O.—Earle W. Bralley, New England Mutual, Cleveland, past president of the American Society of Chartered Life Underwriters, spoke at the opening luncheon meeting.

Memphis, Tenn.—"Successful men have formed the habit of doing the things which failures do not like to do," A. E. N. Gray, assistant secretary Prudential, declared.

Grand Rapids, Mich.—W. B. Burruss, sales engineer and consultant, conducted a one-day sales congress in cooperation with the Grand Rapids Managers & General Agents Association.

Draftees May Suspend Policies

Men selected for service under the draft may have their health and accident or hospitalization insurance suspended during service, then reinstated afterwards at no cost or loss of benefits, H. P. Skoglund, president North American Life & Casualty, Minneapolis, has announced. On return to civilian status, hospitalization or health and accident policies will be reinstated without any penalty or loss of privilege upon application within 60 days.

The plan will not affect life insurance which may now be in force, Mr. Skoglund stated. Life insurance should be maintained by draftees, he said, in order to maintain benefits.

Claris Adams, president Ohio State Life, has been chosen chairman of the Columbus Community Chest campaign next year.

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BANKERS MUTUAL LIFE CO. FREEPORT, ILLINOIS

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That the United States of America stands for what it has always stood for—freedom of man to build for himself and his fellowmen a better and richer world. Though the frontier of the country has been reached and conquered, American Scientists have proven that there are other frontiers, vast and untouched, in readiness for our men and women of today.

If we continue to use the courage and faith of our fathers, tomorrow will be brighter than the most brilliant of our own great yesterdays.

We give thanks for the United States of America and for her people with their ideals and traditions.

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT



INDIANA

LIFE AGENCY CHANGES

Occidental Life Realigns Canadian Field Supervision

The Occidental Life of Los Angeles has announced a realignment of duties in the father-and-son combination of J. W. and W. L. Miller that has shared direction of Canadian affairs the past year.

J. W. Miller, who has devoted more



W. L. MILLER



J. W. MILLER

than 25 years of his life to Occidental Life Canadian development, will step up from his post as general manager for Canada to the newly created position of division manager. W. Lockwood Miller, who has been assistant general manager for Canada, now assumes the position he has been temporarily filling since his father's illness last winter.

The elder Mr. Miller will act in a supervisory capacity, relinquishing most of the exacting duties of administration to his son. Mr. Miller left the newspaper business in 1914 to begin as a personal producer with the Western Mutual Life at Winnipeg. He later became general manager for Canada. When the Western Mutual became part of the Occidental he was again named general manager.

The younger Mr. Miller has been thoroughly trained by his father, in addition to possessing a B.Sc. degree in business administration and an LL.B., with additional background as a practicing lawyer.

Coincident with the realignment of duties comes a move to new quarters for the Canadian head office. The new address will be 291 Dundas street, London, Ont. The rapid rate of Canadian expansion made more roomy quarters necessary, to accommodate the service problems arising from a 225 percent gain in Canadian business in force in the past decade.

Parr Returns to Madison

L. W. Parr, former St. Paul superintendent of the Prudential, has been transferred to Madison, Wis., as superintendent, succeeding R. C. Stephenson, who recently retired. Mr. Parr attended the University of Wisconsin and was in the Madison office of the Prudential for 13 years before going to St. Paul about five years ago.

H. J. Wise has been promoted from assistant to superintendent of the No. 1 office of the Prudential in St. Paul. He succeeds L. W. Parr.

Gummere Named in Toledo

O. L. Gummere has been appointed northwest Ohio general agent of the General American Life, with headquarters in Toledo. Until recently he was with the Libby Owens Ford Company in Toledo, being active in sales management and promotion work. Prior to that he was a life general agent in Springfield, Ill.

J. M. Tory Is Toronto Manager

J. M. Tory, who has spent his entire business career with Sun Life of Canada, having joined the Toronto Queen branch office in 1926, has been appointed manager. He succeeds E. P. Higgins, who leaves Toronto to assume a head office position. Mr. Tory is a graduate of the University of Toronto. In 1934,

in recognition of his ability, he was advanced to the post of agency assistant. He is a son of J. A. Tory, now a director of the Sun Life of Canada, who for 31 years was supervisor of western Ontario agencies, during which time he built the western Ontario agency to be the largest single life agency in the British Empire.

Partnership Setup for Penn Mutual in Cleveland

The Cleveland office of the Penn Mutual Life, which since 1934 has been in charge of Rene P. Banks, is transferred to Banks & Transue, general agents. Mr. Banks and O. M. Transue are the partners. The latter joined the Cleveland organization in January, 1935, following his graduation from Yale. There will be no change in underwriting personnel or office organization. G. W. Bilton of Norwalk, O., J. H. Byrne and W. E. Baker of Cleveland will continue as associate general agents, and H. G. Wolter of Akron will continue to serve as sales production manager with supervision over the branch offices in Akron, Canton and Youngstown. S. A. Paul is cashier at Cleveland.

John Hancock Mutual Promotions

H. C. Wadman, formerly district manager of the John Hancock Mutual Life at Quincy, Mass., is being promoted to regional district manager for eastern New England. E. H. Duffy will be transferred as district manager from Fall River to Quincy, and will be succeeded by L. F. McCarty, now assistant manager at New Haven.

Dalzell with Northwestern

CINCINNATI—John W. Dalzell has been appointed unit manager in the W.

Opens Binghamton Agency for Continental American

Continental American Life has appointed C. C. McElheny general agent in Binghamton, N. Y., to open a new agency. He is well known in life insurance circles in Binghamton and vicinity. His territory covers eight counties of central New York state, including Binghamton, Chemung, Tompkins, Tioga, Delaware, Broome, Otsego and Cortland.

Mr. McElheny has been in the life insurance business for seven years, having been district manager of another company since 1936. His new office is in 1114 Press building.

J. Mack agency of the Northwestern Mutual Life. He has an extensive life insurance experience, starting nine years ago with the Massachusetts Mutual, first as agent and later as supervisor. He was subsequently appointed general agent by the National Life of Vermont and has most recently served as manager of the Guardian Life, which position he recently resigned. He is a past president of the Cincinnati Life Underwriters Association.

Peyser with the Manhattan

NEW YORK—Manhattan Life has appointed P. A. Peyser as general agent in New York City. His office will be at 55 Liberty street. He started his business career in 1909 with the Fiat

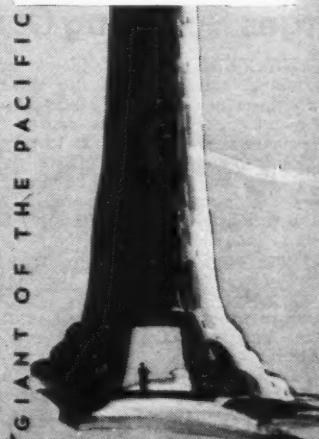


C. C. McElheny



Re: Social Security

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PACIFIC MUTUAL LIFE

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Automobile Company, which he left in 1918 to become a first lieutenant in the U. S. army motor transport corps. In 1919 he rejoined the Fiat company, becoming sales manager and treasurer. When this firm discontinued its American business in 1925 he entered life insurance with the Keane-Patterson agency of the Massachusetts Mutual in New York City. Later he joined E. T. Wells and William Meissel to form the Wells, Meissel & Peyster general agency of the National Life of Vermont. In 1932 he returned to personal production for the National Life.

Penney Named in Columbus

The Provident Life & Accident has appointed Hammond Penney general agent in Columbus, O. He has been general agent in east Tennessee, specializing in railroad salary allotment business, and in Columbus will devote much of his time to development of business on the Chesapeake & Ohio railroad.

Wallace Named in Phoenix

The Occidental Life of California has appointed R. H. Wallace general agent in Phoenix, Ariz. Mr. Wallace has been in the electrical appliance business. His father was at one time a general agent for Occidental at Billings, Mont.

F. W. Frenley, Jr., of Oklahoma City has been appointed field assistant there by the Travelers. He attended the Travelers home office school for agents last April and has been under contract to all departments since May 6.

Kenneth S. Reed, who has been in the life insurance business in Portland, Ore., more than 20 years, more recently with Fidelity Mutual Life, has joined the L. F. Larson agency of the Northwestern Mutual Life. He has served as secretary, treasurer and vice-president of the Life Managers Association of Oregon.

J. W. Mann has been made branch manager of the Shenandoah Life for western North Carolina with headquarters at Charlotte.

ployees for approval Nov. 2. It will be adopted if 90 percent of the field and home office employees vote for it.

More than 600 attended the annual banquet, Mr. Williams presiding and awarding honors to the new members of the various classes of the legion. Executive Vice-president C. M. Williams presented Life Office Management Association certificates to employees completing required work. J. D. Cassidy, division superintendent of agencies, was appointed a marshal of the legion of which Mr. Williams is grand marshal by virtue of his 52 years' service. Mrs. C. F. Williams and Mrs. C. M. Williams were given bouquets of roses on behalf of the home office employees.

Emphasis Now on Industrial Side

Though many industrial-writing companies a year or so ago were working to show their agents the desirability of writing more ordinary insurance, the effect of the TNEC investigations has been to swing the emphasis the other way. It has been found desirable to keep agents reminded that in spite of the sensationalized "disclosures" of the SEC's studies, particularly those relating to industrial insurance, there are still many families who are not in a position to pay a quarterly or even a monthly premium but for whom insurance is nevertheless a vital necessity.

Production of industrial business so far this year indicates that companies have been successful in preventing agents from getting the idea from the SEC material that selling industrial insurance to a policyholder is doing him a disservice. Naturally the companies are still stressing the desirability of monthly or ordinary insurance where the circumstances warrant it but always with the thought of selling not only the amount of coverage but the type of insurance that is indicated by the policyholder's circumstances.

Industrial Agents Exempt

NEW YORK—The wages and hours law does not apply to industrial agents, according to a well known authority. This is because insurance is still held not to be interstate commerce. The wages and hours law applies only to interstate commerce institutions. The reason unemployment insurance hits the industrial agent is that it is a state and not a federal proposition.

NO REGULATION ISSUED

WASHINGTON, D. C.—The Wage-Hour Administration has issued no regulations on industrial agents and would not commit itself to any statement as to their status.

Otto F. Affeldt, superintendent of Prudential in Waterloo, Ia., celebrated his 25th anniversary with the company. J. P. Zimmer of the Milwaukee agency; B. Harvey Harris, assistant secretary at the home office; A. F. Messner, division manager of the home office, and Harry Gathmann, Cedar Rapids superintendent, attended the celebration. The home office presented him a 25-year gold locket and certificate.

Conventions

Dec. 2-4—National Association of Insurance Commissioners, Pennsylvania Hotel, New York City.

Dec. 4—Institute of Life Insurance annual meeting, Waldorf Astoria, New York.

Dec. 5-6—Life Presidents Association, Waldorf-Astoria, New York City.

INDUSTRIAL

President Williams Urges Spending Curb

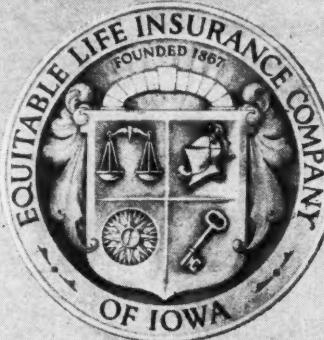
CINCINNATI—In an address before the annual convention of the Western & Southern Legion home office chapter, President C. F. Williams said: "We have never advised anyone as to religion or politics, and don't intend to do so now. We are impelled, however, to make the following statement in view of the serious situation the country finds itself in today."

"Today your taxes as individuals and those of the company are the highest in our history and, unless we become a nation of producers, will continue to increase until we have some type of inflation."

"In this each of you has a vital interest. The value of the savings account you have accumulated, the deposits you have in your building and loan, and the purchasing power of your life insurance and your future earnings are threatened. Every one of us must do all we can to curb reckless spending and to return to production as the solution of our problems." He said that after election, the United States would remain as it is or that there would be a dictator for the reasons given. Production, he stated, and not spending, produces wealth.

Employees Pension Fund

Mr. Williams stated that the company had contributed \$2,022,000 to its employees pension fund since it was established in 1937. Employees have contributed \$213,000. He stated that in response to a number of requests a liberal plan for hospitalization benefits would be submitted to all of the company's em-



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EQUITABLE LIFE of IOWA

HOME OFFICE • DES MOINES



COUNTRY LIFE INSURANCE COMPANY

*"Outstanding
in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS



LEGAL RESERVE FRATERNALS

Parker Reelected Mo. Congress Head

ST. LOUIS—Jones H. Parker of this city, who founded the Missouri Fraternal Congress in 1905, was reelected president at the annual meeting here. He is an attorney and a former member of the Missouri senate. Other officers are: E. A. Olson, Carl Eck, Mrs. Eva B. Weseman and Mrs. Mae E. Moore, vice-presidents; Miss Anna Kampmann, secretary, and D. J. Kelley, treasurer. The meeting was attended by about 200 delegates representing 32 societies.

Speakers included: Superintendent Lucas of Missouri; Alex O. Benz, president National Fraternal Congress and president Aid Association for Lutherans, Appleton, Wis.; C. L. Henson, chief Missouri department legal staff; Judge T. L. McCullough, Dallas, president Praetorians; O. E. Aleshire, Rock Island, Ill., president Modern Woodmen; Miss Margaret T. Stevens, Baltimore, associate editor of public relations department, Baltimore & Ohio railroad, and the Rev. A. J. Van Brunn, pastor St. Engelbert's Catholic parish, St. Louis, Missouri state spiritual director Catholic Knights.

Mrs. Downes, W.C.O.F. Head Dies in Waukegan, Ill.

Mrs. Anna R. Downes, head of Women's Catholic Order of Foresters, died in St. Therese's hospital, Waukegan, Ill., at the age of 65 years. She had headed the society since 1929 and was connected with it in various capacities since 1896. Before being elected to the high post, she was for many years private secretary under two chief rangers of the society. Prior to entering fraternal work she was a teacher in Chicago public schools.

Services were held this week in St. Gilbert's church, Grayslake, Ill., where she lived for many years. Her husband died there only about 14 months ago. T. R. Heaney, secretary Catholic Order of Foresters and vice-president National Fraternal Congress and F. F. Farrell, executive secretary-manager N. F. C., attended.

Mrs. Downes was noted in fraternalism for her broad experience, sound counsel and charming unselfish personality. She was the daughter of one of the early settlers in the south side of Chicago. She was active in affairs of the Council of Catholic Women.

Mrs. Mary E. Murphy, vice-chief ranger, automatically moves up to head the society.

Michigan Cornhusking Test Draws Modern Woodmen

The Michigan state cornhusking contest, which was sponsored by W. E. Swan, Michigan manager Modern Woodmen, was held on the farm of A. W. Nelson, a member of the society, near Pittsford, drawing 5,000 attendance. O. E. Aleshire, president Modern Woodmen; E. J. Bullard, director, and H. R. Freitag, director of publicity, all of Rock Island, Ill., were guests. Jack Sands, district manager in the territory, handled arrangements.

This proved to be a successful method of publicizing the Modern Woodmen. There were 11 contestants entered from various parts of the state, LeRoy Anderson, Camden, winning first prize. The Modern Woodmen junior drill teams from Perry and Flint gave exhibitions and adult teams from Battle Creek and Lansing drilled. These units also participated in the centennial celebration at Pittsford that evening.

Editor Stanley Serpan Dies

Stanley Serpan, editor for a quarter of a century of "Fraternal Herald,"

organ of a number of Bohemian fraternals, died at his home in Omaha. He also was editor of a national Bohemian language agricultural weekly. Mr. Serpan formerly was consul at Omaha for the Czechoslovakian government, and a leader in other Czech activities nationally.

Iowa Congress Selects Brown as President

DES MOINES—Lyle Brown of Des Moines, state manager Modern Woodmen, was elected president of the Iowa Fraternal Congress at the annual convention here, succeeding Mrs. Margaret Hazel, Des Moines, Ben Hur Life.

R. W. Schultz, Waterloo, Aid Association for Lutherans, was named first vice-president; Mrs. Florence M. Bridges, Des Moines, Royal Neighbors, second vice-president, and G. M. Bird, Cedar Rapids, was re-elected secretary-treasurer.

R. E. Miller, national promotion manager Woodmen of the World, Mrs. Grace W. McCurdy, Rock Island, Ill., head of Royal Neighbors, and Alex O. Benz, president Aid Association for Lutherans and president National Fraternal Congress, were the principal speakers.

Benz Speaks in San Antonio

A. O. Benz, Appleton, Wis., president National Fraternal Congress, will be one of the speakers at the annual meeting of the Texas Fraternal Congress at San Antonio Nov. 12-13.

Other speakers will include C. L. Biggs, Detroit, recorder Maccabees; Mrs. Dora Alexander Talley, president Woodmen Circle, and past president N. F. C., Omaha; Walter Woodward, Austin, chairman state insurance board, and W. C. Below, Fulton, Ill., president Fidelity Life. A banquet will be held the first night. Memorial services for deceased members will be held. John H. Cullom, Dallas, is secretary.

Emming Illinois State Head

H. Emming, Aviston, Ill., was elected president of the Catholic Knights and Ladies of Illinois at the annual state convention held in St. Libory. Other officers are: E. J. Klein, Freeburg, vice-president; H. B. Lengermann, Trenton, secretary, and T. H. Werth, Breese, treasurer.

W. Va. Congress Man Dies

W. D. Haught, secretary of the West Virginia Fraternal Congress, died just before the meeting held recently in Wheeling. Dr. J. E. Price was elected his successor at the annual gathering.

Hough to Supervise Field

DETROIT—H. H. Hough, formerly Ohio state manager for Gleaner Life, has been appointed supervisor of field service, succeeding R. M. Norrington, who went with Royal League in charge of organizing field work.

Pittsburgh Group Changes Name

PITTSBURGH—The Life Insurance-Trust Committee of Allegheny county voted to change its name to the Life Insurance Trust Council. J. R. Kinneman, vice-president Peoples-Pittsburgh Trust Company, is chairman; W. R. Furey, Berkshire Life general agent, vice-chairman, and R. S. Edgar, executive secretary Pittsburgh Life Underwriters Association, secretary-treasurer.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1893

A Legal Reserve Fraternal Benefit Society
Bina West Miller
Supreme President
Frances D. Partridge
Supreme Secretary
Port Huron, Michigan

NEW YORK

SCHNEIDER RETURNS TO ZELL

David Schneider has joined Zell Products Corp., 536 Broadway, New York, as advertising manager, and will promote the use of Zell insurance selling aids to life agents, managers and company home offices. The Zell firm specializes in coin thrift banks and a few years ago promoted the Calemeter Plan, which included direct mail sales helps to agents. An entirely new direct mail sales campaign is now being developed under Mr. Schneider's direction.

NEW YORK FAIR CLOSES

What from many standpoints proved to be the greatest world's fair in history, came to a close in New York City last Sunday.

According to the report of Dr. J. P. Hoguet, medical director, 30,000 persons were treated for various ailments and injuries suffered within the grounds this

season, less by 50 percent than the record for the like period of 1939. There were 14 deaths this year, 12 caused by heart attacks and two others resulting from a bomb explosion.

PLAN NEW YORK MASS MEETING

The New York City Life Underwriters Association will hold a mass meeting at 2:30 Nov. 12 at the Hotel Pennsylvania at which President Lloyd Patterson, general agent Massachusetts Mutual Life, and other leaders will explain, particularly for the benefit of non-member guests, the benefits of membership not only from a business point of view but also in helping further the common interests of the policyholders, agents and the companies.

A. J. McAndless Is Feted

Officers and directors of Lincoln National Life gathered at dinner upon the occasion of President A. J. McAndless' 50th birthday and 21st service anniversary with the company. Arthur F. Hall, founder and chairman, was toastmaster.

1883

1940

FIFTY-SEVEN YEARS

ON JANUARY 5, Modern Woodmen of America rounded out fifty-seven years of faithful life insurance service to members and beneficiaries. During this long period the Society has disbursed in excess of \$610,000,000 in death and cash benefits. All claims are paid with a promptness equaled by few life insurance organizations.

MODERN WOODMEN OF AMERICA has always fulfilled its mission of human helpfulness. It has disbursed thousands of dollars in cash for the relief of distressed members throughout the United States. More than 11,000 members have been treated free of charge at its tuberculosis Sanatorium in Colorado.

Life Insurance Protection for the Entire Family

MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

A NEW HIGH



Insurance in Force.....\$206,079,427.00

Assets\$ 34,721,097.00

Total Benefits Paid.....\$ 22,782,624.00

All standard plans of legal reserve life insurance protection for men, women and children.

AID ASSOCIATION for LUTHERANS

The largest legal reserve life insurance organization exclusively for Synodical Conference Lutherans.

Appleton, Wisconsin

Otto C. Rentner, Vice-Pres.

Wm. H. Zuehlke, Treas.

Poor Producers To Be Ousted

(CONTINUED FROM PAGE 1)

"fine young men we invite into our agencies to give them an organization of successful men making an adequate living, willing to do a good day's work and confident of their ability to do a sound job for clients."

Living Budget for New Men

Mr. Haviland endorsed the policy of many agencies to insist that new men have a living budget and a minimum objective insurance estate before they enter the field.

The other requirement of good selection is better management. Too many well-chosen men have left the business through lack of direction, he said. The home office must develop an acceptance by management of its responsibility and obligation to mature every good man regardless of the effort involved.

Companies using the aptitude index, he said, should keep records over the next three or four years to determine what contributions these measuring rods are making. The statistical departments should keep complete records so that the bureau may find out what happens to A and B men, carefully selected. Such an analysis may indicate how to mature 50 percent of the men that are hired, five years from today.

Connecticut General requires every recruit to take the aptitude test. The company reserves the right to decline any candidate and does so frequently. The use of this test gives prestige to the manager because it emphasizes that he is interested in quality men doing quality work.

Urges Development of Human Research

(CONTINUED FROM PAGE 3)

final analysis good will is more important than the immediate sale," Mr. Johnson pointed out.

The possibilities of abandoning certain markets and thereby providing a lower cost for the balance of the policyholders was suggested by Mr. Johnson. Real strides have been made in procedures for selecting agents, but there still may be better ways of inducing men into the business by the process of pre-selection in colleges and universities and then providing some guaranteed income during a period of training. There is also the possibility of developing different or better methods of distribution which would reduce the cost to the public and to provide an even greater distribution of the benefits.

"Have we by any chance confused the fact that on the average every other person in this country owns life insurance with the thought that this means a universal approval of our system of distribution as well as universal acceptance of the idea of life insurance?" Mr. Johnson asked. While the objective of distribution is the spreading of the benefits of life insurance on as broad a basis

as possible, nevertheless, it must be geared to what is in the public interest rather than to what will sell the largest volume of insurance. Recognition of public interest will develop that confidence which in turn will cause the public to express its approval by a greater acceptance.

The development of agency morale is an essential step in human research. Unless the agent has a sense of importance, prompted perhaps by being taken into the confidence of management, unless he has an adequate understanding of the purposes and objectives of the company and the management, unless he knows that the company in its relations with the public is inspired by public interest, he can hardly be expected to be a satisfactory instrument through which the company hopes to build a favorable attitude, Mr. Johnson declared.

"Through research and study of public attitude and public desire greater strides can be made toward our goal. It isn't enough that the average family has \$3,750 in life insurance protection. It isn't enough that life insurance can be written on the lives of persons with physical impairments and in hazardous occupations on a scientific cost basis so as not to endanger the funds of healthy, ordinary working policyholders. It isn't enough that the policyholder can elect to choose any one of many different methods of settlement. It isn't enough that the actuarial societies and groups continue to study statistics, mortality tables and experience tables. It isn't enough that the agent educate himself to the economic and humanitarian side of life insurance.

"Changing times, shifting thought, varying conditions demand that we keep ahead of public need and public thought. We must seek continually to unearth new truths, widen the scope of our endeavors and spread the benefits of an institution which already plays such an important part in the life and protection of our nation," Mr. Johnson declared.

New Limit on Naval Officers

The maximum life insurance which will be issued on the lives of officers in the navy, marine corps, coast guard and naval reserves is \$7,500, it was announced by the Provident Life & Accident. This includes insurance already in force with the Provident.

PURE PROTECTION LOW COST LIFE INSURANCE

Ordinary, Whole Life Policy Without Investment Features
Life Insurance In Itself Is Inexpensive

ESTIMATED AVERAGE ANNUAL COST
AGE 40 . . . \$16.40
PER \$1,000.00

35 Years of Dependable Service to Policyholders

Interstate Reserve
Life Insurance Company
Ten East Pearson Street, Chicago



If you are interested in being "somebody" in your locality and have ambition to become a general agent functioning directly under the home office—write for details.
Address Dept. NU-1040

AMERICAN UNITED LIFE INS. CO.
INDIANAPOLIS, INDIANA

New D. of C. Code Effective Nov. 9

WASHINGTON, D. C.—Legislation approved by President Roosevelt, effective Nov. 9, will give the District of Columbia its first comprehensive and complete fire and casualty insurance code, it is stated by Superintendent Jordan.

Culminating efforts of several years to modernize the sketchy and inadequate laws under which insurance was administered in the national capital, the new legislation was characterized by Mr. Jordan as "not sensational but basic." High points of the new law are a requirement that all policies issued in the District must be countersigned by a resident agent and a prohibition, with teeth, against writing unauthorized policies.

Under the latter provision, any person soliciting or aiding in the soliciting of business for an unauthorized company is made personally liable for any loss that may occur under the policy and may be fined from \$100 to \$1,000 or imprisoned for not more than 12 months and, if an agent, be subject to cancellation of license.

The law also provides that the provisions of accident and health policies of companies other than life companies must conform to the provisions laid down for such policies written by life companies.

The law covers many matters not included in the legislation under which the District of Columbia formerly operated, setting up, for instance, requirements for receivership proceedings, reserves etc. Provision is made for revocation or suspension of licenses not only of companies but also of agents, where violations occur.

The Provident announced that no change is being made in the limit of \$10,000 on officers of the army, national guard or army reserves.

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Carl E. Herfurth

COATES & HERFURTH
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437 S. Hill Street
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Telephone State 1330

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Consulting Actuary

Franklin 2633

211 W. Wacker Drive, Chicago

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Actuary

10 Associates
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N. A. Mosevitch, Ph. D.
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Consulting Actuary

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INDIANAPOLIS, INDIANA

NEW YORK

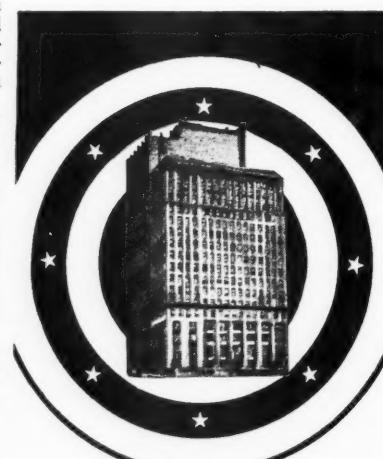
Established in 1865 by David Parks Fackler

FACKLER & COMPANY

Consulting Actuaries

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General Agency
OPPORTUNITIES
for good personal
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Central Life
INSURANCE COMPANY
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ALFRED MacARTHUR, PRESIDENT
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Consulting Actuaries
Auditors and Accountants

S. H. and Lee J. Wolfe

Lee J. Wolfe
William M. Corcoran
Joseph Linder
116 John Street, New York, N. Y.

PENNSYLVANIA

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THE BOURSE
PHILADELPHIA

Sales Ideas and Suggestions

Leading Producers Always Keep Up a Good Pace

H. B. Berwick, supervisor field service at the head office of the Manufacturers Life of Toronto, gave a talk before a sales clinic in which he analyzed the qualities that made up a leading producer. He said:

"What makes a man a leading producer? What quality or qualities does he possess that enable him to pay for \$500,000 or more of new business each year? Possibly we picture the \$500,000 man as one with an exceptionally good appearance, a gifted personality, an ideal connection and a superior education. If the likenesses of 100 star producers were flashed on a screen we would find a definite contradiction of this from the standpoint of appearance. We would see that they were of all sizes and shapes and that they varied widely in features and in their looks generally. If we knew them individually, we would have no doubt of the fact that in their personalities there likewise is a wide variation, ranging from those with what is known as a compelling personality to others who, on the surface, at least, might appear positively bashful.

Variation Is Seen

"If we were acquainted with the territories in which they worked we would see that some of them write a larger total of business in purely rural territories than some others do in the large metropolitan centers. If we were privileged to analyze their records in detail we would find that some had a small average size policy and a large number of applications, while others had an exceptionally large average policy but only a few applications. We would see that some are dealing with wealthy or well-to-do prospects, while the clients of others are able to deposit only relatively small premiums.

"What is it that makes a man an outstanding producer? Certainly not his appearance, nor his particular type of personality, nor his territory, nor the average income of his prospects—certainly not the obvious things that one can see at a glance. Of exceptionally large producers the question often is asked, 'How do they do it?' Their success is somewhat of a mystery even to their immediate associates. Nevertheless, there must be certain characteristics which they have in common—certain qualities that they possess in greater degree than the average man in the life insurance business—some things that set them apart.

"We have at our head office a number of filing cabinets filled to overflowing with clippings from insurance magazines, the statements and articles of men prominent in the life insurance business, the sales formulae of outstanding producers.

Striking Uniformity Noted

"There is one very interesting thing about this file and that is the striking uniformity and reiteration of one particular thought. Despite a wide divergence in ideas and in wording—regardless of the varying similes and illustrations—the one thought that is paramount and invariably expressed is the need for systematic and well-planned work. No matter how these statements differ in other respects, they all contain the thought that enthusiastic devotion to one's job and untiring energy in the solicitation of business, are essential if one would scale the heights of achievement in life underwriting.

"Do comments such as that suggest to any of you that your life must be nothing more than a continuous drive after

business if you are to succeed? Do phrases such as 'paying the price of success' indicate that one must sentence himself to 'hard labor' for an indefinite term of years?

Who Are the Happiest Men?

"We are all looking for happiness and that conception of the road to achievement is certainly not a happy one. If that is what any of us is thinking, let us



H. BENNET BERWICK

ponder these questions. What are the happiest times you have had since you became a life underwriter? Who are the happiest men you know in the field? Conversely, who are the least happy—who have the most problems—who are the men who worry? I will leave it to you to answer those questions for yourselves.

"Let us turn the spotlight for a moment on the actual results secured by two groups which certainly are representative of the topnotchers in the field of personal production. In a recent year 92 members of the celebrated Million Dollar Round Table produced a collective volume of \$121,221,000 for an average production of \$1,317,000. To do that they did not secure a few outstanding cases apiece; instead they averaged no less than 84 applications per man—which means that for 32 weeks that select group achieved not one but two applications each and for the remaining 20 weeks they maintained that much talked about 'app-a-week' apiece.

"Let us take another group which is also outstanding. This one is made up of 130 producers consisting of the five leading individuals in each of 26 different companies. That group had a collective total of \$77,896,000 or an average of \$599,158 per man. These men average 79.9—let's say 80—applications for the year under review.

Can Control Work Hours

"At a recent dinner of the C. L. U. chapter, I quoted what seemed to me a most significant statement, the authorship of which I do not know:

"'You cannot control conditions in your territory but you can control the number of hours you work, the number of calls you make, your number of new prospects and the class of prospects you see. These factors account for the ma-

jor part of any success or any failure in the life insurance business and they are absolutely within our control.'

"Time and again the successes and failures of individuals have demonstrated that by far the most important factor in life underwriting is the mental attitude of the man who carries the rate book. That is no new thought. On the contrary, it is an established conviction in the minds of the leading producers the country over.

Faces His Own Competition

"The successful producer is too busy interviewing prospects and placing policies, too active a student of the business, too energetic in pursuit of commissions to spend his time worrying about the number of men in our business, the other companies' dividends, or a lower interest rate. He realizes that sales are not made from the government blue book, that the figures published by life insurance services do not constitute reasons for his prospect's purchase of life insurance. He knows that the keenest competition there is in the life insurance business is with the man that he faces in the mirror every morning when he is shaving.

"He is aware that for every prospect found on the golf course or at the ball game he will locate ten prospects in offices and other places of business. He is almost fanatic in his belief in life insurance although he has the wisdom to conceal that fact from his prospects and to discuss business only at opportune times. In short, he does what every one of us have done, when we were what is known as 'hitting our stride.' The main quality which differentiates him from others is that he has schooled himself to maintain the right mental attitude and has virtually become immune to the discouragements to which some of the rest of us unfortunately have been subject at times. He is neither a blue salesman nor is he a green one. His chief characteristic is that he works as systematically

and in as well-ordered a fashion in January and February as he does in November or December.

"What thoughts can we draw from even this brief analysis of the leading producers and their methods of work? I think we can take out of it that in certain respects everyone is an outstanding producer—not potentially, not that he will become so as a result of further knowledge or a better clientele, but right now. Virtually every man in this room has been a star producer for one week or one month or during a particular sale or because of the manner in which he has done his prospecting during a certain period. This is substantiated by the fact that during a contest toward the end of our respective club years or because of some personal need for an increased income, almost every one of us has worked in a fashion that is true of the leaders in this business.

Pace Is Maintained

"There is not one man in this room who has not exhibited the ingenuity and sales ability of the outstanding producer at some time or other. There is not one man who has not worked as hard as the very large writer—for a time. Let us cease to look upon the \$500,000 man as one set apart. You and I have everything that he has. Possibly some of us have even more but he applies his knowledge, he systematizes his work, he closes his mind to negative thoughts and he causes the law of averages to work in his favor. The difference seems to lie in the fact that the outstanding producer maintains this pace, while the rest of us, apparently, are content with the results that we get from doing so spasmodically.

"Of what avail is it for us to attend a congress, read insurance periodicals, listen to speeches and study books on salesmanship if we know in our hearts that we are violating one or more of the fundamental principles of success?"

G. L. Hunt Analyzes Agency Management Figures

LOS ANGELES—Los Angeles has become the third city in life insurance agency strength, G. L. Hunt, vice-president and manager of agencies New England Mutual Life, told the Los Angeles Life Managers Association. Of the 29 largest agencies here, four write over \$5,000,000 a year in business, eight from three to five, five from two to three, 3 from 1½ to two, six from one to 1½, one from \$750,000 to \$1,000,000 and two from \$500,000 to \$750,000. Exclusive of commissions, Mr. Hunt estimated that the acquisition cost per \$1,000 of new business written by these agencies runs between \$5 and \$8, with a probable mean of \$6.50. He broke down the first year expense per \$1,000 as follows:

Clerical salaries	\$1.20
Rent—general agency .....	.63
Rent—district agency .....	.22
Postage and express .....	.12
Stationery, printing and supplies .....	.37
Telephone and telegraph .....	.39
Travel .....	.16
Advertising, etc. ....	.38
Sundries, incl. taxes .....	.32
Salaries of supervisors	1.80
Losses on advances .....	.15
	\$6.50

Each renewal collection cost about 80 cents divided as follows:

Clerical salaries	\$0.44
Rent .....	.11
Postage and express .....	.10
Telephone and telegraph .....	.05
Sundries, incl. taxes .....	.07

Mr. Hunt cited Sales Research Bureau figures on rents and clerical sal-

aries in Los Angeles. The average yearly cost for space per agent in Los Angeles is \$165. The minimum cost per established full time agents for clerical assistance and free office service is \$125 which makes the total cost to the general agent for housing and giving routine service to the average agent \$290. Under such a setup an agent must produce in excess of \$100,000 annually if the general agent is to receive an over-riding profit within four years from date business is placed on his books, Mr. Hunt pointed out.

Analyzes Company Data

Carefully selected and comparatively new agents provide general agents with the most profitable business, Mr. Hunt said, in presenting an analysis of New England Mutual figures. New men who fail to pay for a minimum of \$30,000 in the first three months never reach \$100,000 annual production, he said. No man who has failed to pay for any business during his first three months has reached a total of \$25,000 paid business for the year.

Most successful agents have had selling and executive experience, he said. Personal contacts of general agents, supervisors and present agents are the best sources for securing new agents. Advertising is the poorest. In view of the present war situation, married men between 26 and 35 with one child are probably the best prospective agents. Figures show that from age 30 to age 45 is the period of greatest production.

Few men who have not had life insurance sales experience before entering the business, can in today's market rightfully expect to be earning an adequate living in less than two years from their time of entry. The rise after the second year is rather sharp for the agent who is destined for leadership, however. Top production averages are usually reached in five to eight years. College education is desirable, high school essential and contacts of the right type are what really count.

Rank in Top 25 Percent

Citing income figures of the National Resources Committee, Mr. Hunt said that an agent in Los Angeles not only has an opportunity to but is actually earning a minimum income equal to the income of the top one-fourth of the American public, that is, \$1,730 or over.

In all lines better incomes are found among those who receive their compensation on a commission basis or from profit arrangements rather than from wages or salaries. However, regardless of vocation, remuneration upon a fee, commission, or profit basis is in almost every instance predicated upon an apprenticeship period. Mr. Hunt cited figures showing two-thirds of the agents who survive through their apprentice period are on a basis equal to the top 25 percent in average earning power of citizens as a whole. In comparing the earnings of agents with college graduates the average agent's earnings rank very high.

In analyzing the sources of profitable business, Mr. Hunt found that cold canvass accounted for an average size policy of \$3,668; national advertising leads \$4,080; referred prospects \$4,743; acquaintance or relative \$5,012 and old policyholders, \$5,588.

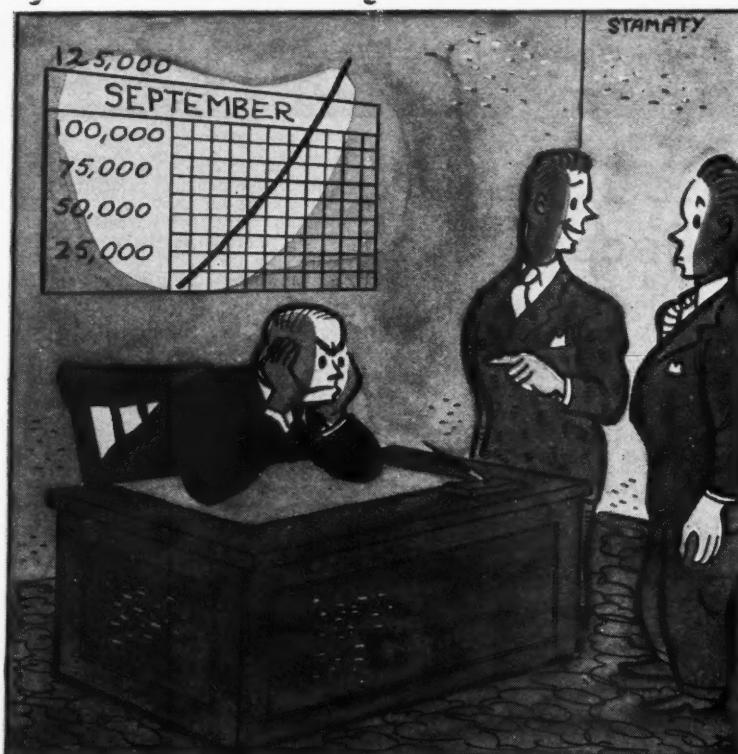
Recruiting Problem Shifts

Recruiting can never become a fixed process, but will always remain a problem, Mr. Hunt said. Changing types and plans under which men enter the business call for different methods of training, but there are several broad principles which should be recognized: Thorough grounding in fundamentals; demonstration of sales procedure as a part of office training; joint work in the field to observe and correct faulty presentations; a follow-through with effort control plans and reports, combined with frequent conferences to establish habits of work; periodic reviews, retraining and boosts whenever they can be given, and the creation of a desire for C.L.U. work when ready for it.

A general agent's profits from new organization are in proportion to his ability to select sound agency material and his quickness in developing the production of these men to a living income basis. Profits on an established organization depend largely upon the production per man and the persistency of the business. Renewal profits depend upon the size of premiums per collection, Mr. Hunt said.

Suggestion Is Made as to Insurance for Draftees

Agents report that there is a reluctance among men in the 21 to 36 age group, who feel that they may be obliged to enter military service, to make life insurance commitments. It is well to point out that if premiums have been



"It makes him mad every time he runs over his quota and has to mark up the wall."

paid promptly and there is no loan on the policy exceeding 50 percent of its cash surrender value, insurance not in excess of \$5,000 in face value is protected against lapse for nonpayment of premiums for the duration of such service and one year afterwards. However, insurance containing a war clause will not benefit from this exemption, the act providing that it "shall not apply to any policy which is void or which may at the option of the insurer be voidable, if the insured is in military service, either in this country or abroad, nor to any policy which as a result of being in military service, either in this country or abroad, provides for the payment of any sum less than the face thereof or for the payment of an additional amount as premium." It is therefore to the advantage of the prospect to buy his insurance now before the companies generally incorporate a war clause.

The exemption applies to all premiums on policies not exceeding \$5,000 face amount on which premiums were paid before the date of the legislation, Oct. 17, or not less than 30 days before entry into the military service. It is granted only on application to the Veterans Administration.

Research Bureau Press Luncheon

The luncheon for the press at the Research Bureau Agency Officers Tuesday was a convivial occasion. J. C. Behan, vice-president of Massachusetts Mutual Life, presided and had the group in convulsions with stories, well salted and peppered.

L. W. S. Chapman of the Research Bureau made some remarks and M. A. Linton, president of Provident Mutual

Life, discussed some aspects of the report of the committee on compensation. Among those present were H. T. Burnett, vice-president of Reliance Life; Roger B. Hull, National Association of Life Underwriters; John W. Murphy, Life of Virginia; Powell Stamper, National Life & Accident; W. S. Penny, Sun Life of Canada; A. B. Olson, vice-president Guaranteed Mutual Life; Hollie J. Johnson, president Institute of Life Insurance, and C. J. Zimmerman, past-president N.A.L.U.

The case study "24 Men in 24 Years" provides convincing sales material. 8 booklets \$1. National Underwriter.

RECORDS

State Mutual Life—Net paid volume at the close of business on Oct. 24 exceeded the same figure for the entire year 1939 by a very substantial margin. The net paid figure is derived by taking its paid business, subtracting the first and second year lapse and the first and second year reductions, then adding the first and second year restoration. Its excellent persistency rate is given as one of the contributing factors to this record, as well as its paid business volume this year, which has exceeded the same month in 1939 every month since January.

General American Life—September was the 14th consecutive month which recorded paid-for production gains. Paid-for business the first 10 months of this year was up 20 percent and accident and health business gained 21.6 percent. The group department's combined paid premiums gained 49.8 percent in September and 73.3 percent for the first ten months.

New England Mutual—C. F. Galloway of the Hays & Bradstreet agency, Los Angeles, led all agents in September in the number of lives insured.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations of life companies as of Oct. 29:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	27 1/2	29
Cent. States Life	5	...	1	2
Colum. Natl. L.100		...	65	70
Conn. Genl.	10	.80	25 1/2	27
Contl. Assurance	10	2.00	36 1/2	39
Great South. L.	10	1.30	18	20
Kan. City Life.100	16.00	370	410	
Life & Cas.	3	.50	10	11
Lincoln Nat.	10	1.40*	29	31
New. World Life	10	.30	4	5
N. W. Natl. Life	7.50	.30	11	12 1/2
Ohio Natl. Life.	10	1.25	24	27
Old Line Life.	10	.60	10	12
Sun Life. Can.	100	15.00	240	290
Travelers	100	16.00	410	425
Union Cent. Life	20	1.20	21	25
Wis. National.	10	1.00	16	18

*Includes extras.

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To the keeper of the budget, "joy" is an income of a dollar and an outgo of ninety cents, while "gloom" is an income of a dollar and an outgo of a dollar and ten cents. The saving of a surplus, however small, is the first step toward economic success. Saving through life insurance in a company such as the Massachusetts Mutual is simply buying a greater future good by a smaller present sacrifice.

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CITY STATE



The Williamsport (Pa.) Life Underwriters Association was the 1940 winner of the Charles Jerome Edwards trophy awarded each year to the association with the best membership record for the year. E. L. Smead (right), general agent Girard Life and retiring president of the Williamsport association, is shown receiving the cup from the association's national committeeman and past president, P. H. Bush, Jr., district manager and a director of the E. A. Woods agency of Equitable Society. The newly elected president of the Williamsport association, R. C. Eckenrode, general agent Bankers Life of Nebraska, looks on.



The Pittsburgh agency of the Connecticut Mutual Life celebrated its 85th anniversary at a dinner. Vincent B. Coffin (left), vice-president and superintendent of agencies, is shown congratulating Robert N. Waddell, Pittsburgh general agent.



Two of the outstanding company executives who attended the Life Advertisers Association meeting in Washington were Julian Price (left), president Jefferson Standard Life, and William Montgomery, president Acacia Mutual Life. Mr. Price as newly elected president of the American Life Convention brought greetings from that body.



President A. J. McAndless of the Lincoln National Life was presented with a basket of 50 roses by his fellow workers on his 50th birthday and 21st anniversary of service.



Chester O. Fischer, vice-president Massachusetts Mutual Life, and his daughter, Catherine, are here shown just before Miss Fischer was married to Dr. George Mason Parker in Peoria, Ill. The bride is a graduate of Smith College and last year did graduate work at Columbia University. Dr. Parker graduated from the University of Wisconsin and received his medical education at Northwestern University.



LEFT—The Los Angeles Life Managers Association celebrated its winning for the third consecutive year the trophy for being the outstanding managers' association in the country. It now retains permanent possession.